Placement Document
Not for Circulation

Serial no.

INFO-DRIVE SOFTWARE LIMITED

(Incorporated in the Republic of India with limited liability with CIN L36999TN1988PLC015475, under the Companies Act, 1956)

Info-Drive Software Limited is issuing up to 1,58,51,330 Equity Shares of face value of Rs. 10 each (the "**Equity Shares**") at a price of Rs. 25.00 per Equity Share, including a premium of Rs. 15.00 per Equity Share, aggregating to Rs. 396.28 million (the "**Issue**").

All of our outstanding Equity Shares are listed on the Bombay Stock Exchange Limited (the "**BSE**") and the Madras Stock Exchange of India Limited (the **"MSE"**). The closing price of the outstanding Equity Shares on the BSE on October 01, 2010 was Rs. 24.10 per Equity Share. There is no trading in the equity shares of the Company at MSE. The equity shares of the Company are permitted to trade on the National Stock Exchange of India Limited (the **"NSE")**.Applications shall be made for the listing of the Equity Shares offered through this Placement Document on the BSE and the MSE (collectively, the "**Stock Exchanges**"). The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our business or the Equity Shares.

WE HAVE PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PLACEMENT DOCUMENT.

A copy of this Placement Document has been delivered to the Stock Exchanges. A copy of this Preliminary Placement Document will also be delivered to the Securities and Exchange Board of India ("SEBI") for record purposes.

INVESTMENTS IN EQUITY AND EQUITY-RELATED SECURITIES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISERS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING DONE IN RELIANCE ON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI REGULATIONS'). THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS.

YOU MAY NOT BE AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

Invitations, offers and sales of Equity Shares shall only be made pursuant to this Placement Document together with the Application Form and Confirmation of Allocation Note. For further information, see "Issue Procedure". The distribution of this Placement Document or the disclosure of its contents without our prior consent to any person, other than Qualified Institutional Buyers ("QIBs"), as defined in the SEBI Regulations, and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

This Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies in India, will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

The information on the Company's website or any website directly or indirectly linked to the Company's website does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (as defined in Regulation S ("**Regulation S**") under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold under the Securities Act outside the United States in reliance on Regulation S. See "Distribution and Solicitation Restrictions" and "Transfer Restrictions".

Book Running Lead Manager

Keynote Corporate Services Limited
4th Floor, Balmer Lawrie Bldg., 5,J.N.Heredia Marg,
Ballard Estate ,Mumbai 400 001, India
Tel: +91 22 3026 6000-3;Fax: +91 22 2269 4323
Email: mbd@keynoteindia.net
Website: www.keynoteindia.net

This Placement Document is dated November 06, 2010.

THE PLACEMENT IS MEANT ONLY FOR QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER FOR TO THE PUBLIC OR ANY OTHER CLASS OF INVESTORS.

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NOTICE TO INVESTORS

We have furnished and accept full responsibility for the information contained in this Placement Document and, to the best of our knowledge and belief, having made all reasonable enquiries, confirm that this Placement Document contains all information with respect to us and the Equity Shares which is material in the context of this Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, we have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Keynote Corporate Services Limited ("Book Running Lead Manager" or "BRLM") has not separately verified the information contained in this Preliminary Placement Document (financial, legal or otherwise).Accordingly, neither the Book Running Lead Manager nor any of its respective members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has neither relied on the Book Running Lead Manager nor on any person affiliated with the Book Running Lead Manager in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document, and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us or the Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No regulatory authority has passed or endorsed the merits of this Issue or the accuracy of adequacy of the Placement Document. Any representation to the contrary may be a criminal offence.

The distribution of this Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by us and the Book Running Lead Manager which would permit an Issue of the Equity Shares or distribution of this Placement Document in any jurisdiction other than India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue-related materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of us and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither we nor the Book Running Lead Manager are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Equity Shares, to be issued pursuant to the Issue under Indian law, including under chapter VIII of the SEBI Regulations and is not prohibited by the SEBI or any other regulatory authority from buying, selling or dealing in securities. Each purchaser of Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from, and review information relating to, us and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

All references to "you" in this section are to the prospective investors in the Issue. By subscribing to any Equity Shares under the Issue, you are deemed to have represented and warranted to us and the Book Running Lead Manager, and acknowledged and agreed as follows:

- you are a QIB as defined in regulation 2(1)(zd) of the SEBI Regulations and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with chapter VIII of the SEBI Regulations;

- if you are not a resident of India, but are a QIB, you are a FII or a FVCI, and have a valid and existing registration with the SEBI under the applicable laws in India;

- if you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges;

- you are aware that the Equity Shares have not been and will not be registered under the SEBI regulations or under any other law in force in India; the Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges and will not be filed with the Registrar of Companies; the Placement Document has been filed with the Stock Exchanges for record purposes only and has been displayed on our websites and the websites of the Stock Exchanges. The final Placement Document will be filed with Stock Exchanges and SEBI for record purposes only;

- you are permitted to subscribe for the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required there under and complied with all necessary formalities;

- you are permitted to acquire the Equity Shares under the laws of all relevant jurisdictions and that you have all necessary capacity and have obtained all necessary consents and authorisations to enable you to commit to this participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in the Placement Document) and will honour such obligations;

- neither the Company nor the Book Running Lead Manager are making any recommendations to you, advising you regarding the suitability of any transactions they may enter into in connection with the Issue, and that participation in the Issue is on the basis that you are not and will not be a client of the Book Running Lead Manager and that the Book Running Lead Manager will not have duties or responsibilities to you for providing the protection afforded to its clients or customers or for providing advice in relation to the Issue and is in no way acting in a fiduciary capacity;

- all statements other than statements of historical fact included in the Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements; such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements; such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future; you should not place undue reliance on forward-looking statements, which speak only as at the date of the Placement Document; we assume no responsibility to update any of the forward-looking statements contained in the Placement Document;

- you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public, and the Allotment of the same shall be on a discretionary basis;

- you have made, or been deemed to have made, as applicable, the representations and warranties set forth under "Transfer Restrictions";

- you have been provided a serially numbered copy of this Placement Document and you have read and understood the Placement Document in its entirety, including in particular, the section titled "Risk Factors";

- in making your investment decision, you have (i) relied on your own examination of us and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of us, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels, advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in the Placement Document and no other disclosure or representation by us or any other party and (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares;

- the Book Running Lead Manager have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares); you will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares); you waive and agree not to assert any claim against the Book Running Lead Manager with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- you have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares, and you and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to us, our officers and/or the Book Running Lead Manager for all or part of any loss or losses that may be suffered, as a result of the investment in the Equity Shares, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- you are not a Promoter and are not a person related to the Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the Promoters or promoter group or person related to the Promoters;

- you have no rights under a shareholders agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board of Directors other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter;

- you have no right to withdraw your Bid after the Bid Closing Date;

- you are eligible to Bid and hold Equity Shares so Allotted and any Equity Shares held by you prior to the Issue; you further confirm that your holding upon the issue of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- the Bids submitted by you would not eventually result in triggering a tender offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended (the "Takeover Code");

- to the best of your knowledge and belief, together with other QIBs in the Issue that belong to the same group or are under common control as you, the Allotment under the Issue shall not exceed 50% of the Issue; for purposes of this representation:

    a. the expression "belongs to the same group" shall by interpreted by applying the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act; and

    b. "control" shall have the same meaning as is assigned to it by clause (c) of sub clause (1) of Regulation 2 of the Takeover Code.

- you shall not undertake any trade in the Equity Shares credited to your Depository Participant account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

- you are aware that applications have been made to the Stock Exchanges for in-principle approval for listing and admission of the Equity Shares to trading on the Stock Exchanges' market for listed securities;

- you are aware and understand that the Book Running Lead Manager will have entered into a placement agreement with us whereby the Book Running Lead Manager have, subject to the satisfaction of certain conditions set out therein, undertaken to use its best efforts as our agent to seek to procure subscription for the Equity Shares;

- the contents of this Placement Document are exclusively our responsibility and that neither the Book Running Lead Manager nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on our behalf and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise; by accepting a participation in this Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or us or any other person, and neither the Book Running Lead Manager nor we nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- the only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Equity Shares is contained in the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Book Running Lead Manager (including any view, statement, opinion or representation expressed in any research published or distributed by the Book Running Lead Manager or its affiliates or any view, statement, opinion or representation expressed by the staff (including research staff) of the Book Running Lead Manager or its affiliates) or us and neither us nor the Book Running Lead Manager will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement;

- you agree to indemnify and hold us and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements and agreements in this Placement Document; you agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

- you understand that the Book Running Lead Manager do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- you are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended from time to time, and have not been prohibited by the SEBI from buying, selling or dealing in securities;

- you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

- each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment of the Equity Shares in the Issue; and

- we, the Book Running Lead Manager, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to the Book Running Lead Manager on its own behalf and on our behalf and are irrevocable.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, copies of this Placement Document have been filed with the Stock Exchanges. The Stock Exchanges do not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of the Placement Document;
- warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or
- take any responsibility for our financial or other soundness, our Promoters, our management or any scheme or project of ours or any business of ours.

The filing of this Placement Document should not for any reason be deemed or construed to mean that the Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, an FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments (all such offshore derivative instruments are referred to herein as "P-Notes") against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by appropriate foreign regulatory authorities in the countries of their incorporation or establishment and subject to compliance with "know your client" requirements. An FII shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to the Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued by an FII are not our securities and do not constitute any obligation of, claims on or interests in us. We have not participated in any offer of any P-Notes, the establishment of the terms of any P-Notes or preparation of disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties unrelated to us. We do not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued by an FII are not securities of the Company or the Book Running Lead Manager and do not constitute any obligations or claims on the Book Running Lead Manager. FII affiliates of the Book Running Lead Manager who are registered as foreign institutional investors as defined under the SEBI Regulations, or their sub-accounts registered with the SEBI, other than a sub-account which is a foreign corporate or foreign individual may purchase, to the extent permissible under law, Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither the SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect" "intend", "may", "objective", "plan", "potential", "predict", "project", "propose", "pursue", "seek", "shall", "should", "target", "will", "would", and the negative of such terms or other words or phrases of similar import. In addition, statements regarding our expected financial condition and results of operations and business plans, strategies, projects and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, proposed expansion plans and other matters discussed in this Placement Document regarding matters that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, performance or achievements to differ materially from our expectations include, among others:

- continued economic growth in India;
- regulatory changes pertaining to the information technology industry in India and our ability to respond to them;
- our ability to successfully implement our strategy, growth and expansion plans;
- technological changes;
- our exposure to market risks;
- equity prices or other rates or prices;
- performance of Indian debt and equity markets;
- our ability to hire and retain qualified personnel;
- general political, economic and business conditions in India and other countries;
- occurrence of natural calamities or natural disasters affecting the areas in which the Company has operations; and
- changes in foreign control regulations in India.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those discussed under the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations of Company", "Industry" and "Our Business" respectively, of this Placement Document. Such forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and are subject to various known and unknown risks and uncertainties. Accordingly, there are or will be factors that could cause actual performance, achievements, results or outcomes to differ materially from those contemplated by the relevant statement. We believe these factors include, but are not limited to, those described under "Risk Factors". These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Placement Document. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management of our Company, as well as the assumptions made by and information currently available to the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct.

Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise or if any of our underlying assumptions, prove to be incorrect, our actual results of operations or financial condition, could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

We are a limited liability company incorporated under the laws of India. Most of our directors and key managerial personnel named herein are residents of India and all or a substantial portion of assets belonging to us or such persons are located in India. As a result, it may be difficult for investors to affect service of process upon us or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a "superior court" within the meaning of that section in any country or territory outside India which the Government has by notification declared to be in a "reciprocating territory", it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless the context otherwise indicates or implies, references to:

- "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Issue;
- "we," "us," "our" and "Company" refer to Info-Drive Software Limited and its consolidated subsidiaries, collectively;
- a particular year are to the calendar year ended on December 31; and
- a particular "fiscal" or "fiscal year" are to the fiscal year ended on March 31.

In this Placement Document, references to "USD" and "U.S. dollars" are to the legal currency of the United States and references to "Rs." and "Rupees" are to the legal currency of the Republic of India. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions, and all references to "India" are to the Republic of India and its territories and possessions.

We publish our financial statements in Rupees. Unless otherwise indicated, all financial data in this Placement Document is derived from our consolidated financial statements, which have been prepared in accordance with Indian GAAP and the Companies Act. Our financial statements, consisting of the audited consolidated financial statements as of and for fiscal 2008, 2009 and 2010 and standalone financial for the quarter ended June 30, 2010 included in this Placement Document are prepared in accordance with Indian GAAP and the Companies Act and are referred to herein as "Financial Statements". Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP. We do not provide a reconciliation of our consolidated financial statements to IFRS or U.S. GAAP financial statements.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which we compete. Certain statistical information included in this Placement Document pertaining to the various sectors in which we operate has been reproduced from trade, industry and government publications and websites.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

While we have complied, extracted and reproduced this data from external sources, including third parties, trade, industry or general publications, we accept no responsibility for accurately or completely reproducing such data. Neither we nor the Book Running Lead Manager have independently verified this data, nor do we make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the Book Running Lead Manager can assure potential investors as to their accuracy

CERTAIN DEFINITIONS AND ABBREVATIONS

We have prepared this Placement Document using the definitions and abbreviations below which you should consider when reading the information contained herein.

Company Related Terms

Term	Description
Articles of Association	Articles of Association of Info-Drive Software Limited
Auditors	M/s K.S. Reddy Associates, Chartered Accountants
Board of Directors or Board	The Board of Directors of Info-Drive Software Limited or any duly constituted committee thereof
Equity Shares	Equity shares of the Company of Rs. 10 each
Memorandum of Association	Memorandum of Association of the Company
Registrar of Companies	Registrar of Companies, Chennai, Tamil Nadu

Issue-Related Terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by them, in consultation with the Book Running Lead Manager in compliance with chapter VIII of the SEBI Regulations
Allottees	Persons to whom Equity Shares are issued pursuant to the Issue
Allotment or Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue
Application Form	November 04, 2010, the date on which the Company (or the Book Running Lead Managers, on behalf of the Company) shall cease acceptance of Application Forms
Bid Opening Date	October 11, 2010, the date on which the Company (or the Book Running Lead Managers on behalf of the Company) shall commence acceptance of Application Forms
Bid(s)	Indication of a QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares in the Issue
Bidding Period	The period between the Bid Opening Date and Bid Closing Date, inclusive of both dates, during which prospective QIBs can submit their Bids
CAN or Confirmation of Allocation Note	Note, advice or intimation to not more than 49 QIBs confirming the Allocation of Equity Shares to such QIBs after discovery of the Issue Price and requiring payment of the Issue Price for all the Equity Shares allocated to such QIBs
Cut-off Price	The Issue Price of the Equity Shares which shall be finalised by the Company in consultation with the Book Running Lead Manager
Escrow Bank	IndusInd Bank
Escrow Bank Account	Account into which payment of application money shall be made by the QIBs
Floor Price	The floor price of Rs. 23.14 which has been calculated in accordance with chapter VIII of the SEBI Regulations and below which the Equity Shares shall not be allotted in the Issue
Issue	Issue of 1,58,51,330 Equity Shares to QIBs, pursuant to chapter VIII of the SEBI Regulations
Issue Price	25.00 per Equity Share, which shall be equal to or more than the Floor Price
Issue Size	The issue of 1,58,51,330 Equity Shares aggregating Rs. 396.28 million
Listing Agreement	The agreement entered into between the Company and the Stock

Term	Description
	Exchanges in relation to listing of the Equity Shares on the Stock Exchanges
Pay-in Date	The last date specified in the CAN sent to the QIBs
Placement Document	This Placement Document issued in accordance with chapter VIII of the SEBI Regulations
Preliminary Placement Document	The Preliminary Placement Document issued in accordance with chapter VIII of the SEBI Regulations
Promoters	Arif Buhary Rahman,, V N Seshagiri Rao, Shivakumar K, K Chandrasekaran, Nerur T Shiv Kumar, EH Building Consultancy Pvt Ltd. and VidyaSagar S K
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under regulation 2(1)(zd) of the SEBI Regulations
QIP	Qualified Institutions Placement under chapter VIII of the SEBI Regulations
Book Running Lead Manager	Keynote Corporate Services Limited

Industry-Related Terms

Term	Description
BPO	Business Process outsourcing
IAOP	International Association of Outsourcing Professionals
IDC	International Data Corporation
IT	Information Technology
ITeS	IT-enabled Services
KPO	Knowledge Process Outsourcing
NASSCOM	The National Association of Software and Services Companies
SME	Small Medium Enterprises
STPI	Software Technology Parks of India

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual General Meeting
BSE	The Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956, as amended
Depositories Act	The Depositories Act, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
ECB	External Commercial Borrowings
ECB Guidelines	The ECB guidelines issued by the RBI on July 1, 2008 (RBI/2008-09/20 Master Circular No. /07 /2008-09)
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
ESOS	Employee Stock Option Scheme
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued there under
FII	Foreign Institutional Investor (as defined under the Securities and

Term	Description
	Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended) registered with the SEBI
FIPB	Foreign Investment Promotion Board
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI or Government	Government of India, unless otherwise specified
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
ISO	International Organisation for Standardization
IT	Information Technology
IT Act	The Income Tax Act, 1961, as amended
MAT	Minimum Alternate Tax
Mutual Fund or MF	A mutual fund registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent Account Number
R&D	Research and Development
RBI	Reserve Bank of India
Regulation S/Reg S	Regulation S under the Securities Act
Rs. or Rupees	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Securities Act	The U.S. Securities Act of 1933, as amended
SENSEX	Index of 30 stocks traded on BSE representing a sample of large and liquid listed companies
Stock Exchanges	BSE & MSE
STT	Securities Transaction Tax
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997, as amended from time to time
UAE	United Arab Emirates

SUMMARY

Unless stated otherwise, the financial data in this section is as per our consolidated financial statements prepared in accordance with Indian GAAP set forth elsewhere in this Placement Document. In this section only, any reference to "we" "us" or "our" refers to Info-Drive Software Limited and its subsidiaries on a consolidated basis.

BUSINESS OVERVIEW:

Info-Drive Software Limited ("InfoDrive" or "the Company") is a multi-dimensional Information Technology and Business Process Outsourcing services Company, headquartered in Chennai, India. InfoDrive has service delivery centers across India, Kuala Lumpur (Malaysia), Dubai (UAE) supporting the business development centers in USA (San Jose and New York), and Singapore. InfoDrive has pan India presence of multiple systems integration centers to deliver Information Technology and Business Process Outsourcing services across the select verticals including BFSI, Telecom, Healthcare and Benefits Administration for the Pension Fund industry in USA.

Portfolio of Service Offerings

1. **IT Services** (India, Middle East, US & Malaysia)
   - Systems Integration
   - Custom Application Development
   - Portal Development & Web Analytics

2. **IT Consulting (**Global market)
   - Business Consulting (Strategic)
     - Cutting Edge Demand Forecasting
     - Lean Process Improvement
     - Management Coaching
     - Org Change Management
     - Profitability and financial strategy
     - Balanced Score Card
     - Commercial and Strategy Planning
   - Technology Consulting
     - **ICT-focused services (Middle East)-** Project Management & Technical Support services for the Telecom segment in the Middle-east market
   - Third party Applications Integration & Implementation (India, Middle East, & Malaysia)
     - ERP – Microsoft Dynamics Implementation
     - Integrated Core Banking Solutions (Conventional & Islamic Banking)

3. **IT Infrastructure Services** (India, Middle East, US & Malaysia markets)
   - Application Management Services
   - Data Center Management
   - Remote IT Infrastructure Management (RIM)
   - Infrastructure Readiness Assessment
   - IT Service Desk - Help-Desk & Break-Fix Support
   - Managed Security Services

4. **IT Products & IP Led Solutions** (Global market)
   - IT products Distribution
   - Biometrics suite for Identity Management & Authentication
   - InsTIL – unique tool for IT Asset Management
   - CampIT – integrated solution for campus automation in educational segment

5. **Business Process Outsourcing**

- Benefit Administration KPO (for Third Party Administrators in US)
  - Plan Design
  - Plan Documents & 5500 Filings to IRS
  - Plan Administration
    - Contribution Processing & Compliance Testing
    - Valuation & Trust Accounting
  - Loan Administration
  - Plan Mergers / Plan Amendments
  - Plan Termination
  - IRS Forms

- Healthcare BPO for Medical service Providers in US
  - Medical Data Capture & Data Management
  - Medical Coding & Billing
  - Medical Insurance Claims Processing

IT SERVICES:

We help our clients to derive maximum value from IT investments. We bring together advanced technology, robust infrastructure, a large pool of talent and a proven global delivery model to provide a range of cost-effective and seamless technology services to companies around the world. From technology optimization to mitigating risks, there is a constant demand to evaluate, deploy and manage flexible, responsive and economical solutions. Outsourcing non-core operations can help transform business into a leaner and smarter organisation with greater adaptability to changing economic and business trends.

We custom design, develop and install software for a variety of client needs. Our projects range from single platform, single site systems to multi-platform, multiple-site systems and typically include new development and/or functional enhancements to existing software applications. We offer a range of services, including requirements analysis, design, implementation, integration and testing for our projects.

Our services also include the integration of distinct IT solutions and software systems, and often include procurement of various hardware and software products, development of software that enhances the compatibility between various components of the overall IT infrastructure and management of programs, vendors and consortia during this process. Our delivery model is backed by industry standard project management & quality practices, a state of the art infrastructure and by a team of highly skilled professionals.

IT CONSULTING:

Info-Drive offers both Business and Technology consulting services that supports strategic business objectives in this competitive business environment. As organisations move up the value chain, we help drive the business momentum in the light of challenges arising from globalisation, competition and the dynamics of customer loyalty. The various consulting practices enable to achieve execution excellence, cost leadership and business agility through IT, resulting in sustainable business leadership. Our consulting services:

IT INFRASTRUCTURE SERVICES:

Our comprehensive, industry-leading portfolio of infrastructure management services guarantees high reliability, round-the-clock availability, remote manageability, and optimum scalability. Our services include:

Onsite Infrastructure Management Services

- Datacenter Support Services

- Network Support Services
- Security Support Services
- End-user Support Services

Converged Communication Solutions
- Campus & Premise Cabling
- Data Center Infrastructure
- Routing & Switching
- IP Telephony

Enterprise Management Solutions
- Service Desk & Asset Management
- Network & Systems Management
- Remote Support Tools

Remote Infrastructure Management Services
- Datacenter Support Services
- Network Support Services
- Security Support Services
- End-user Support Services

Information Security Solutions
- Network Perimeter Security
- Mobile Perimeter Security
- Application Security
- End Point Security

Technology & Process Consulting Services
- Consulting and Auditing Services
- Vulnerability Assessment and risk mitigation solutions
- Pre-certification consulting for ISO 20000

Our Management Services are designed to provide comprehensive coverage for technology infrastructure while maintaining a straightforward 'menu' of service level choices. We offer our customers the flexibility to evaluate each service and derive measurable benefits for their organization. Our current target geographies are India, North America and Far East Asia. Our target business vertices in these countries are BFSI, telecom, retail and IT-ITES.

Annual Maintenance Contracts:

We deliver a comprehensive on-site annual maintenance services that provides our customers on immediate resolution of their IT related difficulties. We serve irrespective of the brand, configuration, platform or technologies.

We maintain all the components of their network inclusive of all computer systems and peripherals for an annual fee to ensure that all their equipments work at optimal levels with minimum downtime.

IT PRODUCTS & IP LED SOLUTIONS:

IT products Distribution: The company through its subsidiary Precision Infomatic (M) Private limited is one of the leading distributors of IT products offering entire range of IT products like peripherals, printers, scanners, plotters, supplies (cartridges), PC components(monitors, hard disks, CD writers, CD ROMs, processors, motherboards), PCs, UPS, Networking, packaged software, storage, high-end servers, offered by multiple vendors. The company through its subsidiary Precision Infomatic (M) Private limited has successful partnership in India with:

- Microsoft
- Hewlett-Packard
- Premier Enterprise Business Partner
- Authorized Service Delivery Partner
- IBM - Premier Business Partner and Authorized Support Partner
- Novell
- VMware

Certifications:

Over more than 500 dedicated Sales and Support Personnel and this includes a team of high caliber Microsoft certified, HP certified, IBM certified, Novell certified, Linux certified and Vmware certified professionals.

IP LED SOLUTIONS: The Company has focused on building Intellectual Property (IP) led tools like InsTIL, CampIT and Biometrics solutions.

InsTI L- unique tool for IT Asset Management:

InsTIL TM is a web enabled ITSM (Information Technology Service Management) tool developed by our subsidiary-Precision Techconet Private Limited based on ITIL (Information Technology Infrastructure Library) best practices framework.

InsTIL is designed by a team of ITIL Certified consultants and developed by a team of Microsoft Certified professionals on Microsoft platform for achieving ISO 20000. The tool automates the critical process areas of ITSM such as Incident management, Configuration management, TM Change management and Service level management. InsTIL also enables proactive monitoring of critical IT assets TM thereby preventing potential failures and ensuring maximum utilization of IT Resources. InsTIL has emerged as a fully integrated, modular, customizable and cost-effective solution that assists businesses in management and delivery of IT Services.

Biometrics suite for Identity Management & Authentication:

Legend Systems Pvt Ltd (subsidiary) addresses the critical Identity Management solution requirements based on Biometrics technology. Our product 'Avant Guard IT' is a USB based Finger Print Scanner that connects to any Client system. The state-of-the-art architecture and modular structure of the solution allows customer centric solutions that go beyond the limits of product business. The range of competences covers everything from consulting to design proposals to usability analyses and the evaluation of biometric performance and security. The suite of biometric software applications include:

- Biometric Access Control and Keyless Entry
- Biometric Username and Password Replacement
- Biometric Employee Time and Attendance
- Biometric Payment and Transaction Solutions

We have built all components using indigenous research and development, in our own manufacturing process that is not dependent on kits from third party sources. Our current set of products include:

- Avant Guard Auto, a solution that provides managed access to automobiles,
- Avant Guard IT, a solution for managed access to networks and IT systems,
- Avant Guard Access Control for physical access to building and terminals,
- Avant Guard 32-bit SDK, a true 32-bit microprocessor kit.

We provide integrated solutions for many industrial verticals among which the ones for financial sector, IT industry, healthcare sector and the public sector being our strong points. Renowned customers have been successfully using biometric identity & access management solutions and appreciate the tailor-made solutions that fulfill any or all of the stages in the Product Life Cycle of a fingerprint based biometric product.

Recently have designed and implemented a fingerprint based logical access solution for a leading Public sector Bank in India. The bank wanted to provide a two factor authentication using Fingerprint Biometrics for their Core Banking System (CBS) for better end point security. The whole solution was designed, developed and implemented meeting all the required standards and stringent norms of the bank and the CBS solution provider.

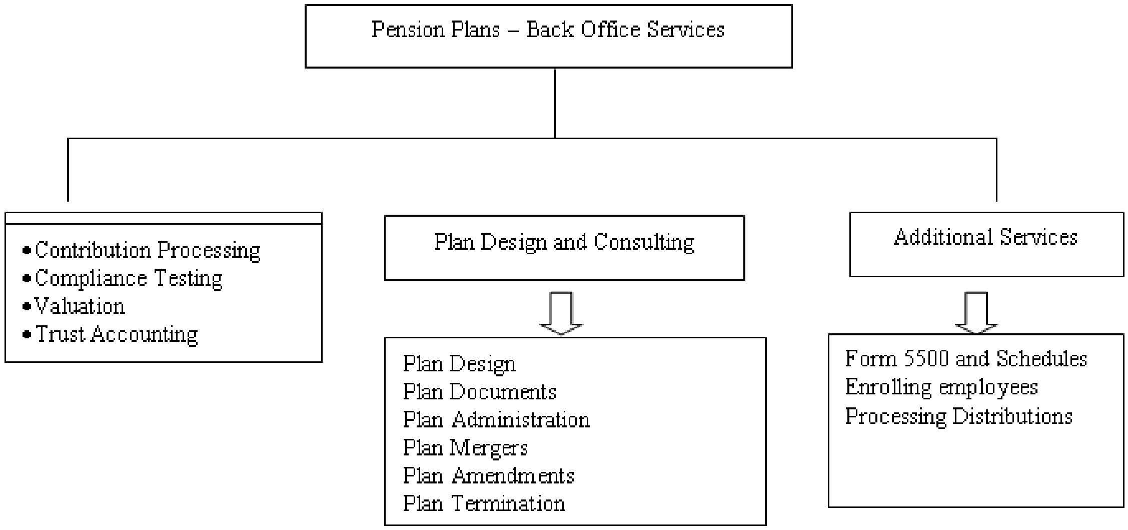
Camp IT – integrated solution for campus automation in educational segment:
Camp IT is an end to end solution for the educational segment that integrates all the stakeholders in the system namely Parents , Faculty , Students and Management. On a web enabled platform it enables centralized control of all activities like Admission, Operation and Administration. Camp IT consists of various functionalities like Admission Management, library mgmt, fees mgmt, hostel mgmt, exam mgmt etc. It provides the management centralized control over all the activities. Camp IT is similar to the windows platform whereby you have the various icons for various tasks operable in a single operating system.

Broadly the solution has the following functionalities:

- Admission Management
- Fees Management
- Course Management
- Attendance Management
- Time Table Management
- Exam Management
- Library Management
- Hostel Management
- Transport Management
- Inventory Management
- Queries Management
- Financial Accounting

BUSINESS PROCESS OUTSOURCING:

Benefit Administration Outsourcing:
Info-Drive's Benefit Administration Outsourcing offers 401k services to Intermediaries and Accounting firms in US (TPAs). Our offshore benefits administration services provide the TPAs an opportunity to reduce their administration cost while variablizing their fixed cost structure, increasing profitability, thereby enabling them to offer a better pricing structure for their customers. Having evolved this practice from a TPA entity, we have a vast repository of industry best practices quality assurance procedures and checklists that are unmatched in the outsourcing vendor community.
We are perhaps the only Plan outsourcing company from India with ASPPA ('The American Society of Pension Professionals & Actuaries) certified and IRS (Internal Revenue Service) licensed professionals.
Led by an experienced QPA, our team leads are Accredited Pension Administrators, APA- a professional certification given by the National Institute of Pension Administrators (NIPA), a leading pension industry accrediting organization. We administer all types of defined contribution plans including 401(k), profit sharing, money purchase, 403(b) plans. Our services include:



Key Differentiators:

- Team led by a certified QPA
- Pioneer in offshore service delivery for end-to-end Benefits Administration in Defined Contribution and Defined Benefits Plans
- Deep domain expertise in Total Benefits Administration with industry certification and accreditation
- ISO 27001 and BS7799, ISO 9000 compliant.
- Moving towards blended shore model thereby providing a wider array of services with onsite support backed by offshore execution
- Strategic Alliance with large TPAs(Third Party Administrators) who also function as aggregators of large Plans from various institutions across the US

All services are provided based upon an agreed fee schedule, with a flexible billing plan, including Hourly rate, Transaction based & Volume based pricing on Plan & Participant numbers, and Revenue Sharing as well.

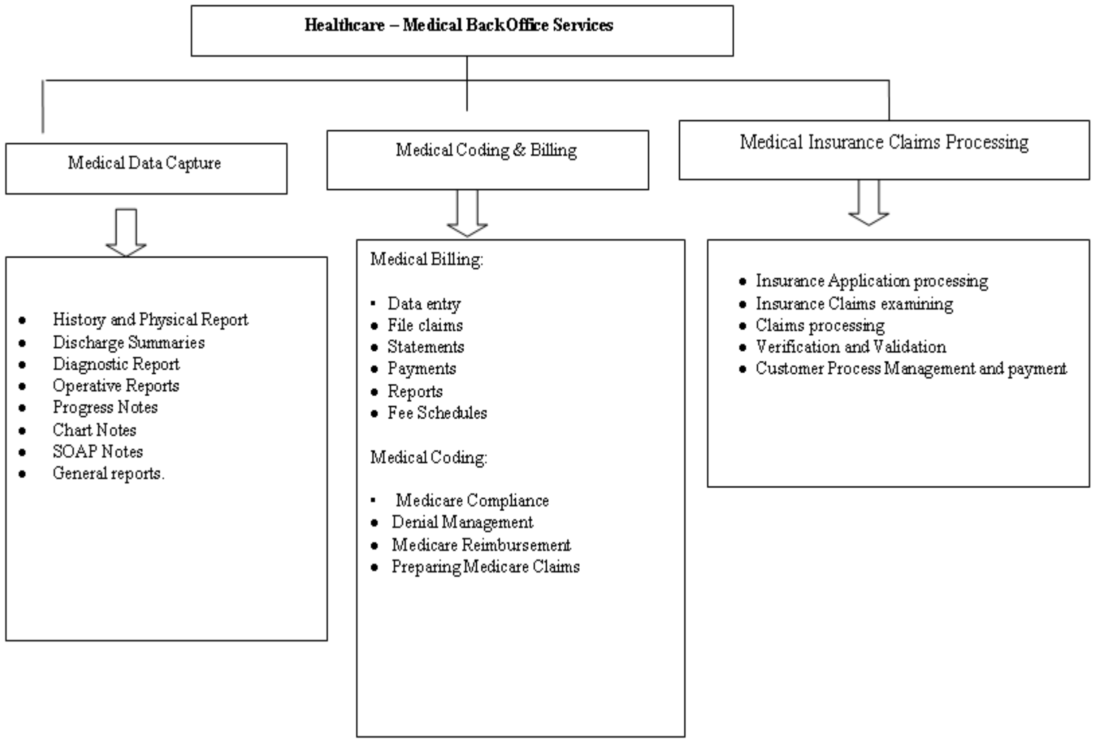
In line with its stated strategy of growing this Practice through strategic alliances with large TPA's, Info-Drive entered into a definitive contractual Joint Venture agreement with BCG (Benefits Consulting Group) which is engaged in the business of retirement and financial planning administration and related services in the United States and ranks amongst the top 10 TPA's in the industry.

The purpose of this Contractual Joint Venture is to establish a captive-like offshore delivery services for BCG and jointly promote and market the services of Info-Drive to all BCG client base in the US, thus establishing a non-linear growth platform for the Practice.

The range of services being offered by this JV consist of full spectrum of Benefits Administration processing in Pension funds, Finance & Accounting back office processing, Payroll processing & Advisory services related to integration of merged Entities & Plans.

Healthcare Outsourcing:
Info-Drive's Healthcare Outsourcing offers a unique proposition that leverages both Healthcare providers and payers, with complete HIPAA compliance business processing support. We provide a host of Healthcare Outsourcing Solutions across the Physician, Dental and Hospital space in US. In the areas of

Medical Back office, we offer an integrated service delivery solution. The following diagram illustrates the services:



With operational center located in Chennai in India and staffed with trained associates, Quality Assurance leaders and dedicated customer relationship management team with a full-fledged training program to create new resources.

Medical Data Capture:

- Transcription services in specialties including pediatrics, orthopedics, gastroenterology, cardiology, internal medicine, radiology, chiropractic, podiatry, and so on. We offer transcription of medical reports for private practice, Medical Records Department at hospitals, or any other correspondence where medical terminology is needed.

- General correspondence services including History and Physicals, Patient Progress Reports, Consultations, Discharge Summaries, Chart Notes and Narratives, Radiology Reports (CT Scans, MRIs, Barium Studies, Angiograms, Mammograms, etc.), Hospital Progress Notes and Procedure Notes, ER Reports, Surgical Procedures and Operative Reports, Independent Medical Evaluations, Peer Reviews

Medical Coding Services:

Our Medical Coding service enables individuals and Hospitals to file a claim with the patient's health insurance provider and/or managed care organization adhering to different coding standards. Our specialty is ICD-9, CPT, HCPCS outpatient (physician) coding for the CMS-1500 form. Our team consists of experienced coders and senior technicians with several years of clinical experience in multiple medical specialties, who have received their CCS-P and/or CCS credentials. We handle Compliancy Services, Denial Management, Medicare Re-imbursement, and Medicare Claims.

Medical Billing Services:

Our Medical Billing experts understand database management, spreadsheets, email, and possess state-of-the-art word-processing and accounting skills, and proficiency in bookkeeping. Our medical billing specialists also process responses from insurance companies that include the Explanation of Benefits (EOB). Our medical billing services include Data Entry Services, Filing Claims, generating Statements, Payments, and Reporting.

Doctors Card Management:

Our Doctors Card management entails appointment scheduling for multiple doctors in multiple facilities. Appointment page shows Doctor's day, or week, or multi-Doctors' day. It schedules the day's appointments, cancellations and priority appointments. It contains Patient Demographics, Facility Details, Insurance Information, Referral Doctors and Recall Reminders. These schedules enable the Medical Practices: Complete medical claims processing, payment posting, patient's balance billing.

Quality process & Standards:

Process : A 3-Tier process ensures that each and every report generated by the company is meticulously performed by trained agent, proofread by experienced editors and finally checked by Quality assurance personnel for its correctness. We have daily feedback sessions and regular trainings at all levels of service offering.

Audit: Our Quality Audit department, audits at least 30 % of all work processed (before upload to client) to provide continuous feedback for sustained quality

Accuracy: We guarantee average 98%+ accuracy for Medical transcription and minimum accuracy deliverables of over 95% and above on both CPT and ICD components.

TAT's (Turn Around Time) ranging from 4 to 48 hours as desired by our client.
Capability: Total client ready files with Direct Upload Capability.

Corporate Information

Our CIN is L36999TN1988PLC015475, and our registered office is located at "Buhari Buildings, Second Floor, No: 3, Moores Road, Chennai – 600 006, India. Our website address is www.infodriveservices.com. The information contained on this website and any website directly or indirectly linked to this website is not a part of this Placement Document.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue:

Issuer………………………………….	Info-Drive Software Limited
Issue Size...	1,58,51,330 Equity Shares of face value of Rs. 10 each, aggregating Rs. 396.28 million. A minimum of 10% of the Issue Size (approximately 15,85,133 Equity Shares) shall be available for Allocation to MFs only, and up to 1,42,66,197 Equity Shares shall be available for Allocation to all QIBs, including MFs. If no MF is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other QIBs.
Issue Price..	Rs. 25.00 per Equity Share
Eligible Investors...................................	QIBs as defined in regulation 2 (1) (zd) of the SEBI Regulations. See "Issue Procedure—Qualified Institutional Buyers".
Equity Shares issued and outstanding immediately prior to the Issue................	2,92,38.890 Equity Shares
Equity Shares issued and outstanding immediately after the Issue……..…..	4,50,90,220 Equity Shares
Listing..	The Company has obtained in-principle approval for listing of Equity Shares issued pursuant to the Issue from Madras stock Exchange Limited vide letter no. MSE/LD/PSK/738/320/10 dated 29.07.2010 and Bombay Stock Exchange vide their Ref: CS/AMAL/PVN/ 24(a)426/2010-11 dated 02.08. 2010.
Transferability Restrictions	The Equity Shares being allotted pursuant to this Issue shall not be sold for a period of one year from the date of allotment, except on the Stock Exchanges.
Use of Proceeds.....................................	We estimate that our net proceeds from the Issue, after deducting placement agent discounts and estimated offering expenses, will be approximately Rs. 376.28 million. We intend to use the net proceeds from the Issue towards acquisition of companies / businesses/ products/ services, to finance new practice lines and for general corporate purposes, including working capital requirements. See "Use of Proceeds" for additional information.
Closing... ……………………………...	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be made on or about November 04,

	2010 (the "Closing Date").
Ranking... ……………………………..	The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares including rights in respect of dividends. Shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by us after the Closing Date, in compliance with the Companies Act. Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. See "Description of the Equity Shares".
Security Codes for the Equity Shares…	ISIN: INE804D01011
	BSE Scrip: 530703
	NSE CODE: INFODRIVE
Risk Factors…………………………...	See "Risk Factors" for a discussion of risks you should consider before investing in the Equity Shares.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial information as at and for the three years ended March 31, 2010, March 31, 2009 and March 31, 2008 has been derived from our audited consolidated financial statements included elsewhere in this Placement Document.

You should read the following summary financial information in conjunction with our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Placement Document. Our consolidated financial statements have been prepared in accordance with Indian GAAP and are presented in Rupees.

Our historical results do not necessarily indicate our results expected for any future periods.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010, 2009 & 2008

Rs.in Lacs

	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS:			
SHARE HOLDERS' FUNDS			
Share Capital	2,923.89	2,923.89	2,923.89
Advance towards Share Capital	55.13	55.13	54.14
Reserves & Surplus	4,419.25	3,676.19	2,901.10
LOAN FUNDS			
Secured Loans	2,383.56	1,949.01	2,495.99
Unsecured Loans	4,130.14	2,975.81	217.16
Minority Interest	42.03	(26.83)	18.55
Deferred Tax Liability	48.68	-	22.23
Total	**14,002.68**	**11,553.20**	**8,633.06**
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	2,303.04	2,231.15	1,724.53
Less: Depreciation	910.47	790.56	548.22
Net Block	1,392.57	1,440.59	1,176.31
Goodwill (on consolidation)	5,537.15	5,667.15	3,228.16
INVESTMENTS			
In Mutual Funds	25.00	10.50	10.50
Deferred Tax Asset	-	27.27	-
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	370.83	495.47	609.80
b. Sundry Debtors	7,269.36	5,412.87	4,274.63
c. Cash & Bank Balances	2,412.01	606.91	1,761.84
d. Loans & Advances	885.10	779.31	557.34
e. Other Current Assets	803.41	637.45	177.65
	11,740.71	7,932.01	7,381.26
LESS: CURRENT LIABILITIES			
a. Current Liabilities	4,317.04	3,178.23	2,772.05
b. Provisions	448.62	421.93	470.04
Net Current Assets	6,975.05	4,331.85	4,139.17
MISCELLANEOUS EXPENDITURE			
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)	72.91	75.84	78.92
	14,002.68	**11,553.20**	**8,633.06**

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010, 2009 & 2008

Rs. In Lacs

	2009-2010	2008-2009	2007-2008
INCOME:			
Income from operations	21,336.79	19,981.26	19,316.15
Other Income	54.46	185.76	94.21
	21,391.25	**20,167.02**	**19,410.36**
EXPENDITURE:			
Cost of goods sold/services (COGS)	15,798.83	14,109.12	14,688.60
Employees Cost	2,669.05	3,326.07	2,014.92
Administrative, Selling & Other Expenses	1,168.21	1,272.79	1,108.68
Finance Charges	361.43	391.33	283.77
Exchange Fluctuation	138.40	-	-
Depreciation	227.86	239.03	202.66
	20,363.78	**19,338.34**	**18,298.63**
Profit for the year before taxation	1,027.47	828.68	1,111.73
Less: Goodwill written off	-	-	18.34
Less: Provision for Taxation (incl. FBT)	113.74	66.66	315.45
Provision for Deferred Tax	18.81	(49.49)	5.51
	894.92	811.51	772.43
Add: Prior Period items	19.19	-	-
	914.11	811.51	772.43
Less: Minority Interest	-	9.80	-
	914.11	801.71	772.43
Less: Proposed dividend including distribution tax	171.05	171.05	174.95
Add: Profit/(Loss) brought forward from previous year			(523.27)
Balance carried to Balance Sheet	**743.06**	**630.66**	**74.21**

RISK FACTORS

This offering involves a high degree of risk. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that the Company is an Indian company and is subject to a legal and regulatory environment which may be different from that which prevails in other countries. Prior to making an investment decision with respect to the Equity Shares offered hereby, all such prospective investors and purchasers should carefully consider all of the information contained in this Placement Document, including the Risk Factors set out below and the financial statements and related notes thereto. The occurrence of any of the following events could have a material adverse effect on our business, results of operations, financial condition and future prospects and cause the market price of the Equity Shares to fall significantly. In this section only, any reference to "we," "us" or "our" refers to the Company and its subsidiaries on a consolidated basis.

You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

RISKS RELATED TO INFO-DRIVE AND OUR INDUSTRY

Litigations - Company has no outstanding litigations

- **Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could impact our share price**

  Our revenues have grown in recent years and may vary significantly in the future from period to period. Therefore, we believe that period-to-period comparisons of our results of operations may not be necessarily meaningful and may not be relied upon as an indication of our future performance. It is possible that in the future some of our results of operations may be below the expectations of market analysts and our investors, which could cause the share price of our equity shares to decline significantly.

  Factors which affect the fluctuation of our operating results include:

  - the size, complexity, timing, pricing terms and profitability of significant projects or product orders;
  - unanticipated cancellations, contract terminations or deferral of projects, or those occurring as a result of our clients reorganizing their operations;
  - the duration of tax holidays or exemptions and the availability of Government of India incentives;
  - changes in our pricing policies or those of our competitors;
  - the ability to modify and enhance our suite of product offerings based on customer needs and evolving technologies;
  - the effect of seasonal hiring patterns and the time required to train and productively utilize our new employees;
  - unanticipated variations in the duration, size and scope of our projects, as well as changes in the corporate decision making process of our clients;

- financial performance of our current and proposed acquisitions.

- volatile movements in currencies;

- other economic and political factors in the geographies where the Company operates.

In addition, a significant portion of our revenues is dependent upon the timely completion of project milestones, which is dependent not only on our abilities but also on the readiness and capability of the project teams of our clients. Delays in meeting project milestones resulting from the deficiencies in our client's project teams will cause cost overruns and adversely affect our working capital.

A significant part of our total operating expenses, particularly expenses related to personnel and facilities, are fixed in advance for any particular period. As a result, unanticipated variations in the number and timing of our projects or employee utilization rates, or the accuracy of our estimates of the resources required to complete ongoing projects, may cause significant variations in our operating results in any particular period.

There are also a number of additional factors that are not within our control that could cause fluctuations in our operating results from period to period. These include:

- the availability and duration of tax holidays or exemptions and the availability of other incentives from the central and state governments in India. Currently, the company has certain tax incentives under Section 10A of the Income Tax Act for the IT services that we provide from specially designated “Software Technology Parks” or STPs. As a result of these incentives, our operations in India have been subject to relatively low tax liabilities. Under current laws, the tax benefits applicable to these units are due to expire by March 31, 2011.
- currency exchange rate fluctuations, particularly when the Rupee appreciates in value against foreign currencies, such as the U.S. dollar, Arab Emirates Dirham , Malaysian ringgits. Any strengthening of the Indian rupee against the U.S. dollar or other foreign currencies could adversely affect our profitability.
- the company operates in five countries and IT spend in these economies would determine our future revenue and profitability.

- **Our investment in enhancing and creating newer business initiatives may not provide adequate returns in future.**

  We have been making investments in enhancing and creating newer business initiatives where we believe there is high potential for growth. Based on our management’s perception of the market potential, we propose to make further investments in developing certain new business initiatives, including in the security business. We may not be able to make suitable levels of investments as may be required by the business and cannot assure that any such investments, which are made will provide adequate returns. This may affect our business results and operations.

- **Our gross margins are low, which magnifies the impact of variations in revenue and operating costs, on our operating results**

  As a result of intense price competition in the IT products industry, our gross margins are low, and we expect them to continue to be low in the future. Increased competition arising from industry consolidation and low demand for certain IT products may hinder our ability to maintain or improve our gross margins. Low gross margins magnify the impact of variations in revenue, operating costs, bad debts and interest expense on our operating results. A portion of our operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand. As a result, we may not be able to reduce our operating expenses as a percentage of revenue to mitigate any further reductions in gross margins in the future. Our inability to manage our costs would affect our business, results of operation and financial condition.

- **In order to be successful, we must attract, retain and motivate key employees, and failure to do so could adversely affect our business.**

  We operate in an industry which requires skilled software professionals and our success depends in large part upon our ability to attract, hire, train and retain qualified employees, including our ability to attract employees in the geographic areas in which we operate. There is a possibility that we may not be able to retain skilled professionals or attract new skilled professionals in future. Competition for senior management in the IT-ITES industry is intense, and we may not be able to retain such senior management personnel or attract and retain new senior management personnel in future. The loss of any of the members of senior management or other key personnel would have a material adverse effect on our business and results of operations may be affected.

- **Our inability to maintain Key Relationship or to enter into new ones can materially effect our business:**

  We have long relationships with some of our top clients and we are constantly seeking to enter into newer ones. This is an important aspect to our growth strategy and failure on our part to build upon these further, can impact our future business prospects. If we were to lose any of our key relationships, our marketing capabilities could be restricted which may result in loss of potential business opportunities or fall behind in technological developments.

- **Valuations of the entities acquired in software / information technology industry may not be sustained in future and current valuations may not be reflective of future valuations for the industry.**

  As part of our growth strategy, we have acquired entities in India and in other countries including the United Arab Emirates and the United States. Some of these entities are now our direct and indirect subsidiaries. We have a very structured approach and have applied certain rigorous due diligence across legal, business, financial and human resource functions before we acquire such companies. However, some of these entities were not valued by an independent third party at the time of acquisition and therefore, the valuation considered by us may not be an accurate reflection of the market value of these entities.

  The valuations in the Software/ IT industry have been varying substantially in the recent past and hence valuation may not be reflective of future valuations in the industry. There is no standard valuation methodology or accounting practices in the IT related industries. The financials of the issuer are not strictly comparable with the players in the industry. These evaluations in the software/information technology industry may not be sustained in future and current valuations may not be reflective of future valuations for the industry.

- **Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.**
  Our insurance coverage is in line with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. Our insurance coverage is likely to cover all normal risks associated with our back office and offshore operations but there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Natural disasters in the future may cause significant disruption to our operations or damage to our properties that could have a material adverse impact on our business and operations. To the extent that we suffer damage or losses for which we did not obtain or maintain insurance, or which exceeds our insurance coverage, the loss would have to be borne by us.

- **Changes in technology may render our current technologies obsolete or require us to make substantial new investments.**

  We need to anticipate and develop new services and enhance existing services in order to keep our clients satisfied. The failure to do so would adversely affect our market share, business, results of operations and financial condition.

- **An inability to provide Systems Integration and other IT solutions in accordance with the requirements of clients could adversely affect our business.**

  We continue to focus on expanding the nature and scope of our SI and IT services business. The success of these solutions and service offerings is dependent, in part, upon continued demand for such solutions and services by our existing and new clients and our ability to meet this demand in a cost-competitive and effective manner. Our ability to establish such relationships will depend on a number of factors, including the proficiency of our IT professionals and our management personnel. Our failure to understand our client requirements or our failure to deliver products or services that meet the requirements specified by our clients could result in termination of contracts, and we could be liable to our clients for significant penalties or damages. Larger projects may involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for additional stages or may cancel or delay additional planned engagements. These terminations, cancellations or delays may result from the business or financial condition of our clients or the economy generally, as opposed to factors related to the quality of our services. Such cancellations or delays make it difficult to plan for project resource requirements, and inaccuracies in such resource planning may adversely affect our profitability.

- **We have certain capital requirements and may require additional financing in the form of debt or equity to meet our requirements and to pursue our growth strategy.**

  Our businesses have certain capital requirements and our SI business requires a significant amount of working capital. Our working capital requirements may increase if, in certain projects, terms specify payment towards the end of a project or are less favorable to us. In connection with the purchase of materials and components for our IT products and the purchase of third-party products distributed by us, we are required to provide letters of credit and other trade credit. An inability to obtain such trade credit in sufficient quantities to match our business requirements may adversely affect our results of operations.

  Sources of our financing requirements may include commercial banks or the sale of equity or debt securities in private or public offerings. If we decide to incur more debt, our interest payment obligations will increase, and we may be subject to additional conditions from lenders, who could place restrictions on how we operates our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders will be diluted. There can be no assurance that we will be able to raise adequate financing on acceptable terms, in time or at all. An inability to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements and, therefore, have an adverse effect on our business, results of operations and financial condition.

- **Certain of our client contracts can typically be terminated without cause and with limited or no notice or penalty, which could negatively impact our revenue and profitability.**

  In SI and IT services business, our clients typically retain us on a non-exclusive, project-by-project basis. Our client contracts, including those that are on a fixed-price, fixed-timeframe basis, can be terminated with or without cause with notice, and without termination-related penalties. Additionally, most of our contracts with clients are typically limited to discrete projects without any commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our clients, and there are a number of factors relating to our clients that are outside our control that might result in the termination of a project or the loss of a client, including:

  a. financial difficulties for a client;
  b. a change in strategic priorities, resulting in a reduced level of IT spending;
  c. a demand for price reductions; and
  d. a change in strategy by moving more work to client in-house IT departments or to our competitors.

- **We have not entered into any definitive agreements to utilize a substantial portion of the net proceeds of this Issue.**

  Subject to compliance with applicable laws and regulations, we intend to use the net proceeds of this Issue for the expansion of our existing businesses, general corporate purposes including meeting our working capital requirements and for acquisitions. As of the date of this Placement Document, we have not entered into any definitive agreements for any such acquisitions. We have not entered into any definitive agreements in connection with the utilization of the net proceeds of the Issue. In accordance with the decision of our Board, our management will have flexibility in deploying the proceeds received by us from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest funds in creditworthy instruments including money market mutual funds and deposits with banks and reputed corporates. Such investments will be in accordance with the investment policies approved by the Board from time to time. See ***—Use of Proceeds***.

- **Intense competition in the market for IT products and services could affect our cost advantages, which could reduce our share of business from clients and may adversely impact our revenues and profitability.**

  The IT products and services markets are highly competitive and rapidly evolving. Our competitors include mid and large consulting firms, large multinational technology firms, IT outsourcing firms, Indian IT services firms, software firms and in-house IT departments of large corporations. Many of our competitors are substantially larger than us and have significant experience with international operations and we may face competition from them in countries in which we currently offer our solutions and services, as well as in countries in which we expect to begin offering our products and services. We also expect additional competition from IT firms with current operations in other countries, such as China and the Philippines. While we have been able to provide our services in our markets at competitive prices and on a cost-efficient basis, there can be no assurance that we will be able to continue to do so in the future, or at all, although we offer our services using blend of offshore and onshore models. Growing competition may force us to reduce the prices of our services, which may reduce our margins and decrease our market share, any of which could have a material adverse effect on our business, financial condition and results of operations.

- **Any inability to manage our growth, organically or through acquisitions, could disrupt our business and reduce our profitability.**

  We have grown significantly in the recent years post takeover by the new management in 2007. Our. total employee strength has grown from approximately 100 as of 2000 to over 1300 plus as of Jan, 2010. In addition, in recent years, we have undertaken major acquisitions and have expanded our business to include both IT products and services. We have made three acquisitions in the last two years and any issues in the integration of those acquisitions into our Company may have a material adverse effect on our business, prospects, financial condition and results of operations. For example in October 2007, we acquired Combiz Trading LLC (later named changed to Info-Drive Software LLC) which opened us to the GCC market. We cannot assure that we will be successful at managing our growing dependence on UAE as a source of our total income and our failure to do so may have a material adverse effect on our business, prospects, financial condition and results of operations.

  Our growth strategy also relies on expanding our customer base to other parts of the world. The costs involved in entering these markets may be higher than expected and we may face significant competition in these regions. Our inability to manage growth generally or in these regions may have an adverse effect on our business, results of operations and financial condition.

- **Our business and profitability will suffer if we fail to anticipate and develop or acquire new products and services and enhance existing products and services in order to keep pace with rapid changes in technology and the industries on which we focus.**

  The products and services markets in IT are characterized by rapid technological change, evolving industry standards, changing client preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and to develop or acquire new product and service offerings to meet client needs. We may not be successful in anticipating or adequately responding to these advances on a timely basis, or, if we do respond, the services or technologies we develop or acquire may not be successful in the marketplace. Further, products, services or technologies that are developed by our competitors may render our offerings uncompetitive, obsolete or force us to reduce prices, thereby adversely affecting our margins. We also face the risk of unforeseen complications in the deployment of new services and technologies and there is no assurance that the estimate of the necessary capital expenditure to offer such services will not be exceeded. New services and technologies may not be developed and/or deployed according to expected schedules or may not achieve commercial acceptance or be cost effective. Failure to achieve commercial acceptance of products or services offered by us could result in additional capital expenditures or a reduction in profitability. Any such change could materially and adversely affect our business, financial condition and results of operations.

- **Our borrowings are subject to restrictive covenants, which may materially limit our business operation in the absence of lender consent.**
  Our financing agreements contain restrictive covenants that require prior lender consent in order for us to, among other things:
  - effect any change in our Company's capital structure;
  - enter into any scheme of expansion, merger, amalgamation, compromise or reconstruction or sell, lease, transfer (or grant any option to do the same) all or substantial portion of its fixed and other assets or undertake any new project;
  - permit any change in the ownership or control or constitution of our Company and to make any change in the shareholding or the management or majority of directors;
  - make any material amendments in the memorandum and articles of association of our Company;
  - not use all or any part of the facility for investment(s) into capital market oriented mutual fund schemes including, without limitation, equity/real estate mutual funds;
  - sell, transfer or otherwise dispose of the whole or any part of its undertaking, property, assets or revenues, whether by a single transaction relating to assets of an aggregate value that is material to the business;
  - make any material change in the scope or nature of our business;
  - invest by way of share capital in or lend or advance funds to or place deposits with any other concerns (including group companies);
  - undertake any guarantee obligation on behalf of any other company (including group companies);
  - declare dividends for any year out of the profits related to that year or of the previous years. It is however necessary for our Company to ensure first that provisions are made and that no repayment obligations remain unmet at the time of making the request for the bank's approval for the declaration of dividend;
  - create any charge, lien or encumbrances over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;
  - sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank;
  - permit any transfer of the controlling interest or make any drastic change in the management operations;

  Any breach of the terms of these financing agreements could result in an acceleration of our repayments, force us to sell our assets or trigger a cross-default under our other financing agreements, which could adversely affect our business, financial condition and results of operations.

- **We have access to confidential client data and are exposed to the risk of substantial contractual damages and legal proceedings in case such data is compromised. If we are unable to successfully protect our computer systems from security risks, our business could suffer.**

  In the course of performance of our operations, we may have access to data which our clients consider to be confidential and sensitive, and we typically covenant contractually to maintain secrecy and confidentiality of such data. Further, while we have implemented industry-standard security measures, our network may still be vulnerable to unauthorized access, computer viruses and other disruptive problems. Breach of these secrecy and confidentiality obligations, including on account of factors beyond our control, which may lead to such data being compromised would expose us to the risk of substantial contractual damages and legal proceeding in addition to risk of loss of reputation. Each of the aforesaid may have a material adverse affect on our business, result of operations and financial condition.

- **Third parties may claim we have infringed their intellectual property rights.**

  Although we believe that our products and services do not infringe upon the intellectual property rights of others and that we have all the rights necessary to use the intellectual property employed in our business, there can be no assurance that infringement claims will not be asserted against us in the future. Assertion of such claims against us could result in litigation. Any such claims, regardless of their outcome, could result in substantial monetary costs and time overruns to us and divert management's attention from our operations and require us to pay damages, cease selling the applications or solutions that contain the infringing technology, develop non-infringing intellectual property or acquire licenses to the intellectual property that is the subject of the asserted infringement, which licenses, if available, could be on unreasonable terms. This could have a material adverse effect on our business, financial condition and results of operations.

- **Delays or defaults in receivables from our clients could result in a reduction of our profits**
  Due to nature of our contracts the projects are being executed prior to receiving advances, progress or other payments from clients in amounts sufficient to cover expenditures on projects as they are incurred. Delays in client payments may subject us to working capital shortages. If client defaults in making its payments on a project to which we have devoted significant resources and time or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our operating results.

- **High Days of Sales outstanding for significant number of days may increase our credit risk, which could adversely affect our results of operations**
  We normally allow customers up to 90 days from the invoice date within which to pay amounts due. As part of our business practice the payment collection process may extend over a period of time. Customers budgeting constraints can impact their ability to make the required payments. In addition, the creditworthiness of our clients may deteriorate over time and we can be adversely affected by bankruptcies or other business failures of our customers.

  Our inability in the future to accelerate the realization of receivables could adversely impact our financial condition, liquidity and results of operations. As of December 31 2009, we had contingent liabilities and commitments as disclosed in our statement of assets and liabilities under Indian GAAP. We cannot assure you that any or all of these contingent liabilities and commitments will not become direct liabilities. In the event any or all of these contingent liabilities and commitments become direct liabilities, it may have an adverse effect on our business, financial conditions and results of operations.

- **Future strategic investments, partnerships and acquisitions are important to our strategy but they may not turn out to be as valuable as estimated and the alliances and partnerships we enter into may be unsuccessful.**
  We may acquire companies, businesses, technologies, services or products or enter into strategic partnerships or alliances with other persons where we believe such acquisition or partnership shall enhance our market position or strategic strengths. We cannot assure you that suitable acquisition targets can be

found, that acquisitions can be consummated on favorable terms or that we will be able to complete otherwise favorable acquisitions because of regulatory and other legal considerations. If we do complete acquisitions, we cannot assure you that they will ultimately enhance our products or strengthen our competitive position. In addition, any acquisitions that we make could lead to difficulties in integrating personnel and operations from the acquired businesses due to cultural and other differences and in retaining and motivating key personnel of the acquired entity. Such acquisitions may also result in legal complexities and consequences like taking over of hidden liabilities. This may disrupt our ongoing operations, divert management from day-to-day responsibilities, increase our expenses and may have a material adverse effect on our results and prospects. Further, the partnership alliance entered by us may not continue for a long time due to cultural and other differences that may affect such relationships. Any fallout from such relationships may affect our functions and operations.

- **Our sales cycles are difficult to predict.**
  Our business is directly affected by the length of our sales cycle. Information systems for our customers are relatively complex and purchase generally involves commitment of capital, with attendant delays frequently associated with large capital expenditures and procurement procedures within an organization. The purchase of these types of products typically also requires coordination and agreement across many departments within a potential customer's organization. Delays associated with such timing factors could have a material adverse effect on our results of operations and financial condition. In periods of economic slowdown in our clients industry, our typical sales cycle lengthens, which means that the average time between our initial contact with a prospective customer and the signing of a sales contract increases. The lengthening of our sales cycle could reduce growth in our revenue in the future. In addition, the lengthening of our sales cycle contributes to an increased cost of sales, thereby reducing our profitability.
- **System failures and calamities could adversely impact the business.**

  Our Company conducts its business of offering pension back office administration services principally on an offshore model. Connectivity to the client is through secure VPN links which have been provided by multiple Internet Service Providers governed by stringent Service Level Agreements with appropriate redundancies. Data used are stored in client-specific file servers which are being backed up on daily basis by the Company. Major calamities like earthquakes, tsunamis and cyclones that effect areas in which the Company has a significant presence, may result in disruption of services to clients and may have an adverse effect on our business, financial conditions and results of operations.

- **Our subsidiaries have incurred losses**

  Certain of our subsidiaries have incurred losses in past. Details of profit/ (loss) for the past three years are set out below:

Rs. (in millions)

Particulars	31.3.2008	31.3.2009	31.3.2010
Precision Infomatic (M) Pvt. Ltd	(0.54)	(4.17)	(13.59)
Info-Drive Software Pte. Ltd- Singapore	(0.06)	(1.19)	(0.03)
Info-Drive Software Inc-USA	3.77	(1.76)	(1.12)

- **Contingent liabilities not provided for, which if materializes may have an adverse effect on our financial condition and future financial performance.**
  There are no contingent liabilities not provided for

RISK RELATED TO EQUITY SHARES

- **Sale of Equity Shares**

An investor will not be able to sell any of our Equity Shares purchased in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares. Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of our Equity Shares in the Issue, investors purchasing our Equity Shares in the Issue may only sell their shares on the NSE or the BSE and may not enter into any off-market trading in respect of their Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of our Equity Shares.

- **The ability of non-residents to sell their Equity Shares to a resident of India may be subject to delays if RBI approval is required.**

Under current Indian regulations and practice, approval of the RBI is required for the sale of Equity Shares by a nonresident to a resident of India, unless the sale is made at the market price of the Equity Shares or in accordance with the pricing guidelines specified by the RBI. If the Equity Shares are thinly traded, then certain other pricing guidelines specified by the RBI must be followed. Prior to the repatriation of sale proceeds, certain filings must be made with an authorized dealer (bank) remitting the proceeds along with certain documents, including an undertaking from the resident buyer in the prescribed form stating that the pricing guidelines have been adhered to and a no objection/tax clearance certificate from the income tax authority or an accountant. If any approvals are required from the RBI or any other Government agency, they may not be obtained on terms favourable to a nonresident investor or at all. We cannot guarantee that any approval, if required, will be obtained in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines. Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Placement Document. The Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. Kindly see “Distribution and Solicitation Restrictions” and “Transfer Restrictions” in this Placement Document. We, our representatives, our agents or the Placement Agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

- **After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop**

The prices of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including; volatility in the Indian and global securities market; our operations and performance; performance of the Company’s competitors, the Indian IT sector, and the perception in the market about investments in the IT sector; changes in the estimates of the Company’s performance or recommendations by financial analysts; significant developments in India’s economic liberalisation and deregulation policies; and significant developments in India’s fiscal regulations.. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

- **Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Further, as our businesses are capital intensive, we may plan to make additional capital expenditure to complete various projects that we are developing, as described in this

Placement Document. Accordingly, our ability to pay dividends is dependent on our capital requirements and financing arrangements, financial conditions and results of operations.

- **Any future equity offerings by us could lead to dilution of your shareholding or adversely affect the market price of the Equity Shares.**

  The Company may require additional capital in the future to implement its business plans, which may include further expansion and business development. If the Company fails to generate sufficient cash through services or from other sources of revenue, it may need to raise additional capital from equity financing. Any future equity issuances by the Company may lead to the dilution of Investors' shareholdings in the Company. Any future equity issuances by the Company or sales of equity shares by the Promoters or other major shareholders may adversely affect the trading price of the equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the equity shares of the Company.

- **Investors will bear the risk of fluctuations in the price of our Equity Shares.**

  It is not possible to predict whether the price of our Equity Shares will rise or fall. Trading prices of our Equity Shares may fluctuate after this Issue and will be influenced by, among other factors, the volatility in the Indian and global securities markets, our financial condition and results of operations, our performance and the performance of our competitors, the perception in the market about investments in the businesses which we operate, media reports regarding us, changes in the estimates of our performance or recommendations by financial analysts, developments in India's economic liberalisation and regulation policies and developments in India's fiscal and environmental regulations, and other political, economic and financial factors. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently. Any sales of a substantial number of our Equity Shares in the market could adversely affect the prevailing market price of our Equity Shares.

- **Currency exchange rate fluctuations may affect the value of the Equity Shares.**

  Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian rupees on the Indian Stock Exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian rupees. In addition, investors that seek to sell Equity Shares will have to obtain approval from RBI, unless the sale is made on one of the Stock Exchanges or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

- **Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.**

  Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

  Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Equity Shares. For more information, see "Taxation" in this Placement Document.

However, capital gains on the sale of our Equity Shares purchased in the Issue by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries.

However as of now Equity Shares issued under QIP are no subject to any capital gains tax. This position may change in future impacting the investment returns if capital gains taxes were imposed.

EXTERNAL RISK FACTORS

- **Political opposition to offshore outsourcing in the United States, and other countries where we operate, could adversely affect our business.**

  In recent years, offshore outsourcing has been the subject of intense political debate, including in recent U.S. election campaigns, and has come under increased government scrutiny within the United States due to its perceived association with loss of jobs in the United States. Several U.S. state governments have recently implemented or are actively considering implementing restrictions on outsourcing by U.S. state government entities to offshore IT services providers. Additionally, companies in the U.S. have been experiencing pressure from their employees and customers regarding their outsourcing practices. Any changes to existing laws in the United States or in other countries where we operate or the enactment of new legislation restricting offshore outsourcing, particularly by private companies, may adversely impact our business and profitability.

- **A significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business.**

  In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies taken by the central government. The current coalition-led central government has implemented policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments.

  The Indian central government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies .However, since the present government is a multi-party coalition, there can be no assurance that it will be able to generate sufficient cross-party support to implement any liberalization policies adopted by the previous central government or that such policies will continue in the future. Government corruption and protests against privatizations, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and, as substantially all of our assets are located in India.

- **Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.**

  Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing as well as the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our shares.

- **Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.**

  The Companies Act and related regulations, the Company's Articles of Association and the Equity Listing Agreements govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

- **Trade deficits could have a negative affect on our business and the trading price of the Equity Shares.**

  India’s trade relationships with other countries can influence Indian economic conditions. If India's trade deficits increase or become unmanageable, the Indian economy, and consequently our business, future financial performance and the trading price of the Equity Shares could be adversely affected.

- **An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business and results of operations.**

  The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern such as swine influenza around the world could have a negative impact on economies, financial markets and business activities worldwide, which could have a material adverse effect on our business. Although we have not been adversely affected by such outbreaks, there can be no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business.

- **If inflation were to rise in India, we may not be able to increase the prices of its services and products in order to pass costs on to its customers and our profits might decline.**

  India has experienced high inflation rates in recent years. The rate of inflation might rise in the future and we may not be able to increase the prices of our services and products in order to pass costs on to our customers and consequently our profits may decline.

USE OF PROCEEDS

We estimate that our net proceeds from the Issue, after deducting placement agent discounts and estimated offering expenses, will be Rupee equivalent to approximately USD 8.49 million (Exchange rate: 1 USD = INR 44.32 as November 04, 2010).

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds from the Issue towards acquisition of companies / businesses/ products/ services, to finance new practice lines and for general corporate purposes including working capital requirements.

The fund requirement is based on our current business plans and the deployment of the same is based on our internal management estimates and has not been appraised by any bank or financial institution. As of the date of this Placement Document, we have not entered into any definitive agreements for such acquisitions.

In view of the uncertainties attached to the nature of our business we may have to revise our business plan from time to time. The Management in accordance with the policies established by the Board will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the issue, the company intends to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks. Such investment would be in accordance with the investment policies approved by the Board of Directors from time to time.

CAPITALISATION

The following table sets forth our capitalisation as at March 31, 2010 on an:

- actual basis; and
- as adjusted basis to give effect to the Issue.

You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes thereto included elsewhere in this Placement Document.

As on June 30, 2010

(Rs.in lacs)

	Actual	As adjusted for the Issue
Loan Funds:		
Secured	377.55	377.55
Unsecured	439.38	439.38
Total debt	816.93	816.93
Shareholders' funds:		
Share capital	2923.89	4509.02
Securities/Share premium	1562.11	3939.81
Other Reserves and Surplus	656.34	656.34

MARKET PRICE AND OTHER INFORMATION CONCERNING THE EQUITY SHARES

2,92,38,890 equity shares were issued and are outstanding as on June 30, 2010. The equity shares have been listed on MSE and BSE since June and July 1995, respectively. The equity shares of the Company are permitted to trade at NSE since January 2010

On 01st October 2010, the closing price of the Equity Shares on BSE was Rs.24.10 per Equity Share and at NSE was Rs.24.00 per Equity Share.

The tables below provide certain market price and other information of the equity shares including the high and low prices and the trading volume for the specified periods on BSE.

i. The following tables set forth the reported high and low closing prices of the Equity Shares and the total trading volume on the BSE and the NSE during the last three financial years:

BSE

Year ending March 31	High Closing Price			Low Closing Price			
	High (Rs.)	Date of High	Volume on date of high (No. of Equity Shares)	Low (Rs.)	Date of Low	Volume on date of low (No. of Equity Shares	Average price for the year (Rs.)
2007	111.10	December 31, 2007	74,510	12.36	February 01, 2007	15,525	45.39
2008	130.65	January 04, 2008	83,779	12.95	June 11, 2007	10,120	58.17
2009	74.95	May 05, 2008	12,684	18.05	October 13, 2008	5,283	38.05
2010	55.45	June 01 2009	34,986	22.45	March 31 2010	12,222	37.45

NSE

Since the equity shares of the Company are allowed to trade at NSE only since January 08, 2010, trading details of the Company at NSE during the last three financial years is not applicable available.

ii. The following tables set forth the reported high and low closing prices of the Equity Shares and the total trading volume on the BSE and the NSE during the last six months:

BSE

Month	High Closing Price			Low Closing Price			
	High (Rs.)	Date of High	Volume on date of high (No. of Equity Shares)	Low (Rs.)	Date of Low	Volume on date of low (No. of Equity Shares)	Average price for the year (Rs.)
April 2010	30.15	April 21, 2010	54,137	26.40	April 5, 2010	28,190	27.96
May 2010	27.00	May 7, 2010	19,987	22.05	May 25, 2010	55,078	24.75
June 2010	27.45	June 03, 2010	30551	22.65	June 22, 2010	103021	25.00
July 2010	32.50	July 19, 2010	21,605	24.15	July 05, 2010	93,199	28.33
August 2010	26.85	August 02, 2010	7,038	21.50	August 27, 2010	16,286	24.18
September 2010	27.00	September 13, 2010	17,473	21.65	September 27, 2010	24,025	24.33

NSE

Month	High Closing Price			Low Closing Price			
	High (Rs.)	Date of High	Volume on date of high (No. of Equity Shares)	Low (Rs.)	Date of Low	Volume on date of low (No. of Equity Shares	Average price for the month (Rs.)
April 2010	30.45	April 21, 2010	26084	26.50	April 28, 2010	7280	28.09
May 2010	27.15	May 03, 2010	2418	22.35	May 21, 2010	39517	24.66
June 2010	27.15	June 03, 2010	38395	22.90	June 22, 2010	37390	25.02
July 2010	30.00	July 20, 2010	6,272	24.10	July 06, 2010 & July 07, 2010	19,764 & 18,094	27.05
August 2010	26.50	August 10, 2010	17,598	21.15	August 27, 2010	23,325	23.83
September 2010	26.90	September 09, 2010	30,492	20.10	September 27, 2010	43,904	23.50

i. Source – www.bseindia.com & www.nseindia.net
ii. High and low closing prices are based on the daily closing prices.
iii. In case of 2 days with the same closing prices, the date with the higher volume has been chosen.
iv. In the case of a year, represents the average of the closing prices on the last day of each month of each year presented.
v. In the case of a month, represents the average of the closing prices of each day of each month presented

iii. The following provides the aggregate volume of the equity shares transacted on BSE & NSE during each month:

Month	Volume (No of equity shares traded)	
	BSE	**NSE**
April 2010	3,12,540	3,59,386
May 2010	3,01,714	3,48,771
June 2010	3,61,347	4,07,879
July 2010	1,97,932	2,00,391
August 2010	2,18,270	2,16,869
September 2010	1,97,932	2,53,253

Source - www.bseindia.com and www.nseindia.com

The following table provides the market price and other information of the equity shares on BSE for the first working day immediately following the Board meeting approving the issue. i.e. 30.12.2009

BSE

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume
30.12.2009	45.00	47.50	44.55	45.65	7814

Source: www.bseindia.com

NSE

The company was granted approval of trading its equity shares in National Stock Exchange with effect from 8th January 2010 and hence the data regarding the trading volume, high & low prices of our shares are not reflected.

Under the Companies Act, an Indian Company pays dividends upon the recommendation of its Board of Directors and approval by a majority of its shareholders, at an Annual General Meeting, who have the right to decrease but not to increase the amount of the dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous financial years, or out of both. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders or those persons whose names are entered as beneficial owners in the record of the depository on the date specified as the "record date", or "book closure date". A listed company in India may declare and disclose the dividend it issues only on a per share basis.

The declaration and payment of dividends, by the Company is governed by the applicable provisions of the Companies Act, as well as the Articles of Association of the Company.

Post takeover by the new management in June 2007, the Company rewarded its shareholders by paying a maiden dividend of 5% [Re.0.50p] per share for the financial Year 2007 – 2008. The Company continued to reward its shareholders for the financial Year 2008 – 2009 and Financial Year 2009-2010. The table given below reflects the Dividend history of the Company.

Financial Year	Equity Base [Number of Shares]	Rate of Dividend	Dividend Value
2007 -2008	2,92,38,890	5% [Re.0.50p] per share	Rs.146.19 Lacs.
2008-2009	2,92,38,890	5% [Re.0.50p] per share	Rs.146.19 Lacs.
2009-2010	2,92,38,890	5% [Re.0.50p] per share	Rs.146.19 Lacs.

The amounts paid as Dividends in the past are not necessarily indicative of the dividend policy of our Company or the quantum of the dividend amounts that would be declared/ paid in the future.

Dividends are payable within thirty [30] days of declaration. When dividends are declared all the shareholders whose names, appear in the share register as on the record date, or book closure date are entitled to be paid the dividends so declared by our Company. Any shareholder who ceases to a shareholder prior to the record date or who becomes a shareholder after the record date will not be entitled to dividends declared by the Company.

Under applicable Indian Tax Laws, Dividends are not subject to Income-Tax in India, in the hands of the Company. However a company is liable to pay dividend distribution tax, currently at the rate of 15% [plus surcharge at 10% and education cess on dividend distribution tax and surcharge at the rate of 3%] on the total amount distributed as dividend. The effective rate of dividend distribution tax is currently approximately 17%. **[See –Taxation]**

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. Dollar will affect the U.S. Dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. Dollars of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information concerning exchange rates between the Rupee and the U.S. dollar for the periods indicated. Exchange rates are based on the reference rates released by the Reserve Bank of India. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(Rs. Per US$1.00)	Period End	Average *	High	Low
Year Ended March 31:				
2008	39.97	40.27	43.15	39.27
2009	50.95	45.91	52.06	39.89
2010	45.14	47.42	50.53	44.94
Quarter Ended:				
March 31, 2010	45.14	45.92	46.81	44.94
December 31, 2009	46.68	46.71	47.86	45.91
September 30, 2009	48.04	48.36	49.40	47.54
June 30, 2009	47.87	48.46	50.53	46.84

* Represents the average of the reference rates released by the Reserve Bank of India on the last day of each month during the period for each year and quarter presented.

(**Sources:** www.rbi.org.in)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

You should read the following discussion of our financial condition and results of operations together with our financial statements included in this Placement Document. You should also read the section entitled "Risk Factors" of this Placement Document, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company and unless otherwise stated, is based on our standalone financial statements, which have been prepared in accordance with Indian GAAP and the Companies Act. Our fiscal year ends on March 31 of each year, so all references to a particular "Fiscal" are to the twelve-month period ended March 31 of that year.

Overview

The overview of the **standalone** financial performance of our Company:

Rs.in lacs except for EPS

Particulars	2009-2010 (Audited)	2008-2009 (audited)	2007-2008 (audited)	2006-2007 (audited)
Income from Operations	1,638.45	1364.84	424.7	8.22
Other Income	20.31	96.72	48.98	9.43
Total Income	1,658.76	1461.56	473.68	17.65
EBITDA	751.45	573.67	309.81	3.89
PAT	661.64	350.92	56.62	1.39
Tangible Net worth	4,811.16	4318.61	3961.25	15.36
Earnings Per Share- Basic	2.26	1.79	0.78	0.03

The **Stand Alone** working results of our Company reviewed by Statutory Auditors for the year ended 31st March, 2010 is as follows:

	Rs.in lacs except for EPS
Particulars	Amount
Net Sales / Income from operations	1,638.45
Other Income	20.31
Total Income	**1,658.76**
Total Expenditure	**986.18**
Cost of Goods/Services	450.83
Employees' Cost	190.96
Other expenditure	132.05
Exchange Fluctuation	133.47
Earnings before Interest & Depreciation (EBIDTA)	751.45
Depreciation	23.73
Profit before Interest and Tax	727.72
Interest	55.14
Profit from ordinary activities before tax	672.58
Tax Expenses - Current	6.34
Deferred Tax	4.60
Fringe Benefit Tax	
Net Profit from ordinary activities after Tax	661.64
Basic EPS & Diluted EPS (in Rs.)	2.26

DISCUSSION ON RESULTS OF OUR STAND-ALONE OPERATIONS

The following discussion is based on our stand-alone financial statements for the FY 2010, 2009 and 2008. The following discussion on the financial operations and performance should be read in conjunction with stand -alone audited financial results of our Company for the years ended 31 March 2008, 2009 and 2010. The summary statement of profit & loss is as under:

					(Rs.in lacs)			
Particulars	**Audited FY 2010**	**% to Total Income**	**Audited FY 2009**	**% to Total Income**	**Audited FY 2008**	**% to Total Income**	**Audited FY 2007**	**% to Total Income**
Income								
Income from Operations	1,638.45	99%	1,364.84	93%	424.70	90%	8.22	47%
Other Income	20.31	1%	96.72	7%	48.98	10%	9.43	53%
Total Income	**1,658.76**	100%	1,461.56	100%	473.68	100%	17.65	100%
Expenditure	986.18		887.89		163.27		13.76	
Cost of Goods Sold/Services	450.83	27%	589.55	40%	0.05	0%	0.10	1%
Employees Cost	190.96	12%	164.05	11%	71.68	15%	2.14	12%
Admin, Selling & Other Expenses	132.05	8%	134.29	9%	91.54	19%	11.52	65%
Earnings Before Interest , Depreciation & Tax	751.45	45%	573.67	39%	310.41	66%	3.89	22%
Finance Charges	55.14	3%	18.58	1%	17.06	4%	0.26	1%
Depreciation	23.73	1%	21.14	1%	7.07	1%	2.04	12%
Profit Before Tax	672.58	41%	533.95	37%	286.28	60%	1.59	9%
Less: Goodwill written off	-		-		18.34		-	
Provision for tax								
- Current Tax	6.34		55.00	4%	31.00	7%		0%
- Deferred Tax	4.60		(45.82)	-3%	7.80	2%		0%
- Fringe Benefit Tax	-		2.80	0%	1.47	0%	0.20	1%
Profit After Tax	661.64	40%	521.97	36%	227.67	48%	1.39	8%

Comparison of the financial performance for the fiscal FY 2009-10 with FY 2008-09

Revenue from Operations

The company derives its revenues from Systems Integration, Customised Software Development , Implementation of third party application packages. Infrastructure Outsourcing including technical support services . The company recognizes contracts priced on a time and material (T&M) basis when services are rendered and related costs incurred or on a fixed price basis. The company's (unconsolidated) revenues increased to Rs.1638.45 lacs in fiscal 2010 from Rs 1364.84 lacs in the audited fiscal 2009, a growth of more than 1.20 times (3.21 times). Revenues increased due to projects executed on the customized software development in e-living, Infrastructure Outsourcing including technical support services for Telco's.

Other Income

Other income comprises interest on deposits (ICDs). Other income in fiscal 2010 was Rs 20.31 lacs (Rs 96.72 lacs in audited fiscal 2009)

Expenditure

Employee cost

Employee Cost in fiscal 2010 was Rs 190.96 lacs (Rs.164.05 lacs in audited fiscal 2009)**.** Employee cost as a percentage of revenue was 11.52% in fiscal 2010 as compared to 11.22% in audited fiscal 2009. This marginal increase in costs is due to hiring of resources for execution of certain new projects .

Administration and Other expenses

The nature of administrative expenses (other than employees cost) includes rent, rates, taxes, advertisement, repairs and maintenance, postage, telephone etc., It reduced to Rs 132.05 lacs in fiscal 2010 from Rs 134.29 lacs in audited fiscal 2009, due to better cost saving methods.

Earnings before Interest, Depreciation and Taxes (EBIDT)

The PBIDT in fiscal 2010 was Rs 751.45 lacs compared to Rs 573.67 lacs in audited fiscal 2009, an increase of almost 1.31 times.

Interest Costs & Depreciation

Interest expenses increased from Rs.18.58 lacs in audited fiscal 2009 to Rs 55.14 lacs in fiscal 2010 an increase of 2.97 times due to working capital facilities taken from Axis Bank (Company's Bankers) & ICDs. Depreciation charge increased from Rs.21.14 lacs in audited fiscal 2009 to Rs 23.73 lacs in fiscal 2010 an increase of around 1.12 times.

Profit before Taxes

The Profit before taxes (PBT) in fiscal 2010 was Rs 661.64 lacs compared to Rs 533.95 lacs in audited fiscal 2009, an increase of 1.29 times.

Dividend

The Board may be recommending 'suitable' dividend based on the "audited" accounts for the year ended 31st March, 2010 (in audited fiscal 2009 it was 5% ie., Re 0.50 per share).

Profit After Tax (PAT)

The company has achieved a PAT of Rs 661.64 lacs in fiscal 2010 as compared to Rs 521.97 lacs in audited fiscal 2009 an increase of 1.27 times.

FINANCIAL POSITION (UNCONSOLIDATED)

Share Capital

At present, we have only one class of shares viz., equity shares of par value of Rs 10/- each.

Rs. in lacs

	31.03.2010	31.03.2009
Authorised Share Capital* (increased during the year)	7000.00*	6000.00
Issued, subscribed and paid-up capital (** as on date)	923.89	2923.89

Reserves and Surplus

Share Premium account remained unchanged at Rs.1562.11 lacs in fiscal 2010.

Foreign Currency Translation Reserve was Rs.80.50 lacs in fiscal 2010 as against Rs.202.70 lacs in fiscal 2009.

Profit & Loss account stood at Rs.374.85 lacs for the fiscal year ended 31st March, 2010 (fiscal year ended March 31, 2009 negative Rs.115.74 lacs due to accumulated losses)

Total Reserves and Surplus at the end of fiscal 2010 was Rs. 2017.46 lacs as compared to Rs.1764.81 lacs in fiscal 2009.

Sundry Debtors for the fiscal 2010 aggregated to Rs. 978.17 lacs (Rs.942.80 lacs for fiscal 2009). As a percentage of revenue, sundry debtors was 58.97 % in fiscal 2010 as compared to 64.51% in fiscal 2009. There had been increased focus on collections, still there had been delays from certain clients whose dues fell beyond stipulated credit period. The company continues to monitor and is working closely with clients to ensure that all dues are collected within a reasonable time.

Cash and Bank balances

The company had cash and bank balances of Rs.908.24 lacs as at March 31, 2010 ie., fiscal 2010 compared to Rs.203.37 lacs as at March 31, 2009 ie., fiscal 2009 .

Loans and Advances

Loans and advances were Rs.679.16 lacs in fiscal 2010 as compared to Rs.470.67 lacs in fiscal 2009. This increase is primarily attributable to:

a) higher loans and advances of Rs.535.70 lacs in fiscal 2010 as compared to Rs.393.23 lacs in fiscal 2009.

b) deposits, advances and others were Rs.143.46 lacs in fiscal 2010 as compared to Rs.77.44 lacs in fiscal 2009

Current Liabilities

Current Liabilities increased to Rs.666.76 lacs in fiscal 2010 as compared to Rs.604.23 lacs in fiscal 2009. The increase is primarily due to:

a) increase in sundry creditors Rs.544.37 lacs as at March 31, 2010 compared to Rs.404.40 lacs as at March 31, 2009

b) increase in advances for supply of services NIL for fiscal 2010 (Rs.187.06 lacs in fiscal 2009)

c) other liabilities Rs.122.39 lacs in fiscal 2010 as compared to Rs.12.77 lacs in fiscal 2009.

Provisions

Provisions made towards taxes, proposed dividend, tax on dividend aggregates to Rs.176.54 lacs as at March 31, 2010 as against Rs.228.33 lacs as at March 31, 2009

Miscellaneous Expenditure

Issue Expenses stood at Rs.49.69 lacs in fiscal 2010 (Rs.51.64 lacs in fiscal 2009).

CASH FLOW (UNCONSOLIDATED)

Cash Flow from Operations

In fiscal 2010, net cash generated was Rs.549.66 lacs (Rs.160.97 lacs in fiscal 2009). Apart from net profit before taxes of Rs.672.58 lacs in fiscal 2010 (Rs.533.95 lacs) the net cash generated includes non cash items like depreciation of Rs.23.73 lacs (Rs.21.14. lacs in fiscal 2009)

Cash Flow from Investing Activities

In fiscal 2010 the company used Rs.147.26 lacs (Rs.247.97 lacs in fiscal 2009) on investing activities (Rs.9.94 lacs in fiscal 2010), purchase of fixed assets Rs.102.49 lacs in fiscal 2010 {Rs.269.07 lacs in fiscal 2009}.

Cash Flow from Financing activities

In fiscal 2010, the significant item of cash used in financing activities includes, long term borrowings (net) Rs.349.79 lacs (Rs. 5.94 lacs in fiscal 2009), short-term borrowings (net) -Rs.123.73 lacs (Rs.3.56 lacs). Significant item of cash used in financing activities was due to payment of dividend including tax Rs.171.05 lacs (Rs.171.05 lacs).

Cash Position

Cash and cash equivalents as at 31st March, 2010 was Rs. 908.24 lacs as compared to Rs.203.37 lacs as at March 31, 2009.

FINANCIAL POSITION (UNCONSOLIDATED)

Share Capital

At present, we have only one class of shares viz., equity shares of par value of Rs 10/- each.

Rs. in lacs

	31.03.2009	31.03.2008
Authorised Share Capital	6000.00	6000.00
Issued, subscribed and paid-up capital	2923.89	2923.89

Reserves and Surplus

Share Premium account remained unchanged Rs 1562.11 lacs in fiscal 2009.

Foreign currency exchange fluctuation reserve was Rs 202.70 lacs as at March 31, 2009 as against Nil of fiscal 2008.

Total Reserves and Surplus at the end of fiscal 2009 was Rs 1764.81 lacs, an increase by about 1.12 times over Rs 1562.11 lacs at the end of fiscal 2008.

Loans

Secured Loans as at the end of fiscal 2009 were Rs.37.55 lacs (Rs 31.61 lacs in fiscal 2008).

Unsecured loans at the end of fiscal 2009 were Rs.332.33lacs (Rs.259.25 lacs in fiscal 2008)

Deferred Tax Asset & Deferred Tax Liability

As stated in accounting policies in Notes on Accounts, company had deferred tax asset in fiscal 2009 of Rs 38.01 lacs where as it had deferred tax liability (net) for fiscal 2008 of Rs 7.80 lacs.

Fixed Assets

Additions to Gross Block in fiscal 2009 amounted to Rs.269.07 lacs. The significant items of additions in fiscal 2009 were office equipment (Rs.5.24 lacs), furniture & fittings (Rs.1.94 lacs), vehicles (Rs.17.85 lacs), computer systems (Rs.50.89 lacs), software packages (Rs.7 lacs) and an advance for capital purchase of Rs 186.15 lacs.

Investments

Investments in wholly owned subsidiaries and other subsidiaries aggregated Rs 3772.02 lacs as at March 31, 2009 (Rs 3492.68 lacs as at March 31, 2008).

Investments in wholly owned subsidiaries and other subsidiaries aggregated Rs 3772.01 lacs as at March 31, 2009 (Rs 3492.40 lacs as at March 31, 2008). The details of the same as follows:

Sr. No.	Name of the Subsidiary	% of Holding	31.3.2009 in Rs.	31.03.2008 in Rs.
1	Info-Drive Software Inc - USA	100	51,87,822	40,36,495
2	Info-Drive Software LLC _UAE	80	4,70,79,800	3,68,65,000
3	Info-Drive Software Pte Ltd. - Singapore	100	68,47,775	57,39,030
4	Info-Drive Systems Sdn Bhd - Malaysia	100	22,80,85,758	21,26,00,040
5	Precision Infomatic (M) Pvt. Ltd. - India	51	9,00,00,000	9,00,00,000
6	Info-Drive Software Ltd. - Canada	100	40	Nil
	Total		37,72,01,195	34,92,40,565

Inventories

Inventory in fiscal 2009 stood at Rs.17.17 lacs (Rs 15.23 lacs in fiscal 2008).

Current Assets, Loans & Advances

Sundry Debtors

Sundry Debtors as at 31st March, 2009 aggregated Rs.942.80 lacs (Rs 186.58 lacs as at March 31, 2008). As a percentage of revenue, sundry debtors were at 64.5% as at 31st March, 2009 as compared to 39.38% as at March 31, 2008. There had been increased focus on collections but due to clients facing economic difficulties as a result of general recession, there had been delays from clients whose dues fell beyond stipulated credit period. The company continues to monitor and is working closely with clients to ensure that all dues are collected within a reasonable duration.

Cash and Bank balances

The company had cash and bank balance of Rs.203.37 lacs as at 31st March, 2009 (Rs 459.04 lacs as at 31st March 2008).

Loans and Advances

Loans and advances as at March 31, 2009 were Rs 470.67 lacs (Rs 389.87 lacs as at March 31, 2008). The increase is primarily attributable to:

a. higher loans and advances of Rs 426.41 lacs as at March 31, 2009 (Rs 347.03 lacs as at March 31, 2008)

b. deposits, advances and others of Rs 44.26 lacs as at March 31, 2009 (Rs 42.84 lacs as at March 31, 2008)

Current Liabilities

Current Liabilities increased to Rs 651.58 lacs as at March 31, 2009 as compared to Rs 159.13 lacs as at March 31, 2008. The increase is primarily due to:

c. increase in sundry creditors Rs 461.69 lacs as at March 31, 2009 (Rs 11.88 lacs as at March 31, 2008)

d. increase in advances Rs 187.06 lacs as at March 31, 2009 (Rs 147.25 lacs as at March 31, 2008)

Provisions

Provisions made towards taxes, proposed dividend, tax on dividend aggregated Rs 228.33 lacs as at March 31, 2009 as against Rs 203.50 lacs as at March 31, 2008.

Miscellaneous Expenditure

Rights Issue Expenses stood at Rs 51.64 lacs in fiscal 2009 compared to Rs 58.10 lacs in fiscal 2008.

CASH FLOW (UNCONSOLIDATED)

Cash Flow from Operations

In fiscal 2009, net cash generated was Rs 182.07 lacs (Rs 304.76 lacs) from operating activities. Apart from net profit before taxes of Rs. 533.95 lacs (Rs 286.28 lacs) the net cash generated includes non cash items like depreciation of Rs.21.14. lacs (Rs 7.07 lacs)

Cash Flow from Investing Activities

In fiscal 2009, the company used Rs.269.07 lacs on investing activities (Rs 3530.82 lacs in fiscal 2008). Significant amount of cash used in investment activities in fiscal 2009 are (a) acquisition/investment in subsidiary companies Rs Nil lacs (Rs 3491.80 lacs) and (b) purchase of fixed assets Rs.269.07 lacs (Rs 39.02 lacs)

Cash Flow from Financing activities

In fiscal 2009, the significant item of cash used in financing activities includes proceeds of further issue of equity shares amounting to Rs.Nil (Rs 3926 lacs), long term borrowings (net) Rs.5.94 lacs (Rs 31.62 lacs), short-term borrowings (net) -Rs.3.56lacs (-Rs 58.32 lacs). In fiscal 2009, significant item of cash used in financing activities was due to payment of dividend including tax Rs 171.04 lacs (Rs 171.04 lacs). Issue related expenses Rs Nil lacs (Rs 43.20 lacs)

Cash Position

Cash and cash equivalents as at 31st March, 2009 amounted to Rs.203.37 lacs (Rs 459.04 lacs in fiscal 2008).

Comparison of the financial performance of FY 2008 with FY2007

1. Income from Operations

The company's revenues consist mainly of income from Software Consultancy Services and Software development. The company recognizes contracts priced on a time and material (T&M) basis when services are rendered and related costs incurred. The company's (unconsolidated) revenues increased to Rs 424.70 Lakhs in fiscal 2008, from Rs 8.22 Lakhs in fiscal 2007- a stupendous growth of more than fifty times (50.66 times) in the year under review. Revenues increase is due to increased overseas consultancy services and enabled services.

2. Expenditure

Employees cost

Employee Costs in fiscal 2008 was Rs 71.68 Lakhs an increase of 32.5% over the total employee cost of Rs 2.14 Lakhs in fiscal 2007. Total employee cost as a percentage of total income was 15.13% in fiscal 2008 as compared to a percentage of 12.12% in fiscal 2007.

This increase is attributable to the relative increase in the headcount and compensation package commensurate with the market.

Administration and Other expenses

The nature of administrative expenses(other than employee costs) includes rent, rates, taxes, advertisement, repairs and maintenance, postage, telephone etc., They rose from Rs 11.52 Lakhs in fiscal 2007 to Rs 91.54 Lakhs in fiscal 2008, an increase by almost 7 times

Earnings before Interest, Depreciation and Taxes (EBIDT)

The earnings before interest, depreciation and taxes in fiscal 2008 was Rs 310.41 Lakhs, an increase of almost 79 times from Rs 3.89 Lakhs in fiscal 2007. The profit after tax (before maiden dividend during the year) as a percentage of total income is 48.06% in fiscal 2008 as compared to 7.87% in fiscal 2007.

Interest costs & Depreciation

Interest expenses increased from Rs 0.26 Lakhs in fiscal 2007 to Rs 17.06 Lakhs in fiscal 2008. Depreciation charge increased from Rs 2.04 Lakhs in fiscal 2007 to Rs 7.07 Lakhs in fiscal 2008-an increase of around 2.46 times. In terms of total income, depreciation charge was 1.49% in fiscal 2008 (11.55% in fiscal 2007).The value-increase in fiscal 2008 is attributable to additions in infrastructural facilities.

Profit before Taxes

The Profit before taxes in fiscal 2008 was Rs.267.94 Lakhs, a stupendous increase of 168 times from Rs 1.59 Lakhs in fiscal 2007.

Maiden Dividend

The Board has recommended a maiden Dividend of 5% (Re 0.50 per share).

Profit After Tax (PAT)

The Company has achieved an exemplary PAT of Rs 227.67 Lakhs in fiscal 2008 compared to Rs 1.39 Lakhs resulting in a stupendous increase by 163 times.

FINANCIAL POSITION (UNCONSOLIDATED)

Share Capital

We have only one class of shares, during the year, viz., equity shares of par value of Rs 10/- each. During fiscal 2008 our Authorised Share Capital was increased from Rs 30 Crores comprising of 3 Crores equity shares of Rs 10/- each to Rs 60 Crores comprising of 6 Crores equity shares of Rs 10/- each.

Reserves and Surplus

The net addition to the share premium of Rs. 1502.11 Lakhs during the year is due to premium received on issue of 20 Million equity shares @ Rs 12/- per share (issue price with a premium of Rs 2/- per share) and in addition, a premium of Rs 26/- per equity share (face value Rs 10/- per equity share) on 42, 38, 890 equity shares issued on preferential basis for consideration other than cash (swap).

Fixed Assets

During the year, the company added Rs 57.36 Lakhs to gross block of assets towards infrastructure including for expansions.

Investments

Wholly-owned Subsidiaries-

- Info-Drive Software Inc., USA
- Info-Drive Systems Sdn Bhd, Kuala Lumpur, Malaysia
- Info-Drive Software Pte Ltd., Singapore

Other Subsidiaries-

- Infodrive Software LLC, (80%)
- Precision Infomatic (Madras) Private Limited (51%)

Liquidity

The Company had cash equivalents of Rs 459.04 Lakhs as at 31st March, 2008 (Rs 0.05 Lakhs as at 31st March, 2007)

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

DISCUSSION ON RESULTS OF CONSOLIDATED OPERATIONS

The following discussion is based on our **consolidated** financial statements for the FY 2010, 2009 and 2008. Our Company started preparing consolidated accounts w.e.f. FY 2007-2008. The Subsidiaries contributed significantly to the top and bottom-lines of our Company in the last three financial years i.e. F.Y. 2009-2010, FY 2007-08 and FY 2008-09.

The following discussion on the financial operations and performance should be read in conjunction with **consolidated audited financial results** of our Company for the three years ended 31 March 2008, 2009 and 2010 respectively.

The summary statement of profit &loss is as under:

Rs.in. Lacs

Particulars	Audited FY 2010	% to Total Income	Audited FY 2009	% to Total Income	Audited FY 2008	% to Total Income
Income						
Income from Operation	21336.79	100%	19,981.26	99%	19,316.15	100%
Other Income	54.46	0%	185.76	1%	94.21	1%
Total Income	**21391.25**	100%	20,167.02	100%	19,410.36	100%
Expenditure	**20363.78**	95%	18,707.98	93%	17,812.20	92%
Cost of Goods Sold/Services	15798.83	74%	14,109.12	70%	14,688.60	76%
Employees Cost	2669.05	12%	3,326.07	16%	2,014.92	10%
Amin, Selling & Other Expenses	1168.21	5%	1,272.79	6%	1,108.68	6%
Profit Before, Interest, Depreciation & Tax	**1616.76**	8%	1,459.04	7%	1,598.16	8%
Finance Charges	361.43	2%	391.33	2%	283.77	1%
Depreciation	227.86	1%	239.03	1%	202.66	1%
Profit Before Tax	**1027.47**	5%	828.68	4%	1,111.73	6%
Goodwill written off					18.34	
Provision For Tax						
- Current Tax	113.74	1%	41.79	0%	289.97	1%
- Deferred Tax	18.81	0%	(49.49)	0%	5.51	0%
- Fringe Benefit Tax		0%	24.87	0%	25.48	0%
Profit After Tax Before Minority Interest	**914.11**	4%	811.51	4%	772.43	4%
Minority Interest	-	0%	9.80	0%	-	0%
Profit After Tax	**914.11**	4%	801.71	4%	772.43	4%

Comparison of the consolidated financial performance of FY 2010 with FY 2009
RESULTS OF OPERATIONS (CONSOLIDATED)

Revenue

In fiscal 2010, the total income aggregated to Rs.21,391.25 lacs. The company's revenues consist mainly of income from Technology Consulting, Hardware sales & Services, System Integration, Banking Solutions and from Business Process Outsourcing. The company recognizes contracts priced on a time and materials basis when services are rendered and related costs incurred. The classification of revenues by geography and industry practice is more relevant when reviewed as consolidated results of the company.

Revenue by Geography

Geography	Revenue (Rs. lacs) 2010	Revenue (Rs. lacs) 2009
Malaysia	1,581.73	1,474.71
United States of America	330.50	993.47
United Arab Emirates	2,304.15	1,695.94
India	17,174.87	16,002.90
Total	**21,391.25**	**20,167.02**

Expenditure:

Employee Costs

The Consolidated 'Total Employee Costs' for fiscal 2010 was Rs.2,669.05 Lacs (Rs.3,326.07 lacs) Total employee cost as a percentage of total income was 12.48 % (16.49% in fiscal 2009). This reduction of 4.01% was primarily due to decrease in headcount and a marginal reduction for recession, contributions to retirement funds coupled with onsite resources for projects. The total employee strength is 1544 in fiscal 2010 (1556 in fiscal 2009).

Administration and Other Expenses

The nature of administrative expenses (other than employee costs) includes rent, rates, taxes, advertisement, repairs and maintenance, postage, telephone etc., amounting to Rs.1,168.21 lacs in fiscal 2010 (Rs.1272.79 lacs in fiscal 2009). As a percentage of revenue, these expenses decreased from 6.31% in fiscal 2009 to 5.46% % in fiscal 2010 .

Earnings before Interest, Depreciation, Taxes and Amortisation (EBIDTA)

The earnings before interest, depreciation taxes and amortisation (EBIDTA) in fiscal 2010 was Rs.1,616.76 lacs (Rs.1459.04 lacs in fiscal 2009). EBIDTA as a percentage of total income was 7.56% in fiscal 2010 (7.23% in fiscal 2009). The reason for a marginal increase is due to reduced input costs on manpower resources and financing cost.

Interest costs & Depreciation

Interest expense was Rs.361.43lacs in fiscal 2010 (Rs.391.33lacs in fiscal 2009) and Depreciation charge was Rs.227.86lacs in fiscal 2010 (Rs.239.03lacs in fiscal 2009). The finance charges have come down due to decrease in the amount of loans.

Profit before Taxes

The Profit before taxes in fiscal 2010 was Rs.1027.47lacs (Rs.828.68lacs in fiscal 2009). As a percentage of revenue, the profit increased from 4.10% in fiscal 2009 to 4.80% in fiscal 2010. The profit before tax increased due to overall increase in earnings.

Net Profit before Minority Interest and Dividend including Tax

The company's net profit before minority interest in fiscal 2010 was Rs.914.11 Lacs. Net profit as a percentage of total income is 4.27 %. The corresponding figure during the previous year in fiscal 2009 was Rs.811.51Lacs at 4.02 % of total income. The net margin has increased despite an all round increase in costs and pressure on selling price.

Net Profit (after Minority Interest)

The Company's net profit (consolidated) was Rs.914.11lacs in fiscal 2010 (Rs.801.71lacs in fiscal 2009).Net profit as a percentage of total income is 4.27% in fiscal 2010 (3.97% in fiscal 2009)

FINANCIAL POSITION (CONSOLIDATED)

Share Capital
At present, we have only one class of shares viz., equity shares of par value of Rs.10/- each.

(Rs. In Lacs)

	31.03.2010	**31.03.2009**
Authorised Share Capital* (increased during the year)	7000.00*	6000.00
Issued, subscribed and paid-up capital	2923.89	2923.89

Reserves and Surplus

Share Premium account stood unchanged at Rs.1,562.11 lacs (Rs.1562.11 lacs in fiscal 2009). The opening balance of reserves as at March 31, 2010 was Rs.2114.08 lacs and the corresponding opening balance of reserves as at March 31, 2009 was Rs.1483.42 lacs. Balance in profit and loss account as at March 31, 2010 was Rs.743.06lacs (Rs.630.66 lacs as at March 31, 2009). Reserves and Surplus at the end of fiscal 2010 was Rs.4,419.25 lacs, an increase of 20.21 % over Rs.3676.19lacs at the end of fiscal 2009.

Loans

Secured Loans at the end of fiscal 2010 were Rs.2,383.56 lacs (Rs.1949.01lacs in fiscal 2009). Unsecured loans at the end of fiscal 2010 were Rs.4,130.14 lacs (Rs.2975.81lacs in fiscal 2009) Deferred Tax Asset & Deferred Tax Liability. As stated in accounting policies in Notes on Accounts, company had deferred tax asset in fiscal 2010 of Rs.48.68 lacs where as it had deferred tax liability (net) for fiscal 2009 of Rs.27.27 lacs.

Fixed Assets

Additions to Gross Block in fiscal 2010 amounted to Rs.245.20 lacs. The significant items of additions in fiscal 2010 were Plant & Machinery (Rs.0.95 lacs), office equipment (Rs.15.63 lacs), Electrical Installations (Rs.0.33 lacs) furniture & fittings (Rs.10.75lacs),vehicles (Rs.8.08 lacs), computer systems (Rs.53.25 lacs), intangible assets (Rs.72.53 lacs) and an advance for capital purchase of (Rs.83.68 lacs).

Goodwill on Consolidation

Goodwill on consolidation as at March 31, 2010 was Rs.5,537.15 lacs (Rs.5,667.15 lacs as at March 31, 2009).

Investments

Investments in mutual funds was Rs.25.00 lacs as at March 31, 2010 (Rs.10.50 lacs as at March 31, 2009).

Inventories

Inventory in fiscal 2010 stood at Rs.370.83 lacs (Rs.495.47 lacs in fiscal 2009).

Sundry Debtors

Sundry Debtors as at March 31, 2010 aggregated Rs.7,269.36 lacs (Rs.5412.87 lacs as at March 31, 2009). As a percentage of operating revenue, sundry debtors were at 34.07 % as at March 31, 2010 as compared to 27.09% as at March 31, 2009. There had been an increased focus on collections but due to clients facing economic difficulties, there had been delays in both domestic and international clients whose dues fell beyond stipulated credit period. The company continues to monitor closely the creditworthiness of its clients and is working closely with them to ensure that all dues are collected within reasonable time.

Cash and Bank balances

The company had total cash and bank balances of Rs.2,412.01 lacs as at March 31, 2010 (Rs.606.91 lacs). Balances held in fixed deposits with banks was Rs.537.43 lacs as at March 31, 2010 (Rs.320.07 lacs as at March 31, 2009).

Loans and Advances and Others

Loans and advances as at March 31, 2010 were Rs.885.10 lacs (Rs.779.31 lacs as at March 31, 2009). The increase is primarily attributable to:

a. Deposits, advances and others of Rs.776.93 lacs as at March 31, 2010 (Rs.730.77 lacs as at March 31, 2009)

b. Inter corporate loans of Rs.108.17 lacs as at March 31, 2010 (Rs.48.54 lacs as at March 31, 2009)

Other Current Assets

earnest money and others of Rs.803.41 lacs as at March 31, 2010 (Rs.637.45 lacs as at March 31, 2009)

Current Liabilities

Current Liabilities increased to Rs. 4,317.04 lacs as at March 31, 2010 as compared to Rs.3,178.23 lacs as at March 31, 2009. The increase is primarily due to:

a. increase in sundry creditors Rs.4,311.85 lacs as at March 31, 2010 (Rs.2,988.35 lacs as at March 31, 2009)

b. increase in advances Rs.Nil lacs as at March 31, 2010 (Rs.187.06 lacs as at March 31, 2009)

c. Unclaimed dividend of Rs.5.19 lacs as at March 31, 2010 (Rs.2.82 lacs as at March 31, 2009)

Provisions

Provisions made towards taxes, proposed dividend, tax on dividend aggregated Rs.448.62 lacs as at March 31, 2010 as against Rs.421.93 lacs as at March 31, 2009.

Miscellaneous Expenditure

Issue Expenses stood at Rs.72.91 lacs in fiscal 2010 compared to Rs.75.84 lacs in fiscal 2009.

CASH FLOW (CONSOLIDATED)

Cash Flow from Operations

In fiscal 2010, net cash generated was Rs.925.35 lacs (Rs.47.84 lacs) from operating activities. Apart from net profit before taxes of Rs.1027.47 lacs (Rs.828.68 lacs) the net cash generated includes non cash items like depreciation of Rs.227.86 lacs (Rs.239.03 lacs)

Cash Flow from Investing Activities

In fiscal 2010, the company used Rs.205.42 lacs on investing activities (Rs.2853.05 lacs in fiscal 2009). Significant amount of cash used in investment activities in fiscal 2010 was for purchase of fixed assets Rs.245.20 lacs.

Cash Flow from Financing activities

In fiscal 2010, the significant item of cash used in financing activities includes proceeds of further issue of equity shares amounting to Rs.9.94 lacs (Rs.0.99 lacs), long term borrowings (net) Rs.434.55 lacs (Rs.546.98 lacs), short-term borrowings (net) Rs.1154.33 lacs (Rs.2758.65 lacs). In fiscal 2010, significant item of cash used in financing activities was due to payment of dividend including tax Rs.171.05 lacs (Rs.171.05 lacs). Interest paid expenses Rs 361.43 lacs (Rs 391.33 lacs)

Cash Position

Cash and cash equivalents as at March 31, 2010 amounted to Rs.2,412.01 lacs (Rs.606.91 lacs as at March 31, 2009)

INFO-DRIVE SOFTWARE LIMITED (UNCONSOLIDATED)

The Management's Discussion and Analysis given below relates to the financial statements of Info-Drive Software Limited (Unconsolidated). The discussion should be read in conjunction with the financial statements and related notes for the year ended March 31, 2010.

Overview

The financial statements have been prepared in compliance with requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made (wherever applicable) on a prudent and reasonable basis, in order that the financial statements reflect a true and fair view of the form and substance of transactions and reasonably present our state of affairs and profits for the year.

Revenue from Operations

The company derives its revenues from Systems Integration, Customized Software Development, Implementation of third party application packages. Infrastructure Outsourcing including technical support services . The company recognizes contracts priced on a time and material (T&M) basis when services are rendered and related costs incurred or on a fixed price basis. The company's (unconsolidated) revenues increased to Rs.1,638.45 lacs in fiscal 2010 from Rs.1364.84 lacs in the fiscal 2009, a growth of more than 1.20 times (3.21 times). Revenues increased due to projects executed on the customized software development in e-living, Infrastructure Outsourcing including technical support services for Telcos

Other Income

Other income comprises interest on deposits (ICDs). Other income in fiscal 2010 was Rs.20.31 lacs (Rs.39.68 lacs in fiscal 2009)

Expenditure:

Employee cost

Employee Cost in fiscal 2010 was Rs.190.96 lacs (Rs.164.05lacs in fiscal 2009). Employee cost as a percentage of revenue was 11.51 % in fiscal 2010 as compared to 11.22% in fiscal 2009. This increase in costs is due to hiring of resources for execution of certain new projects .

Administration and Other expenses

The nature of administrative expenses (other than employees cost) includes rent, rates, taxes, advertisement, repairs and maintenance, postage, telephone etc., which decreased to Rs.132.05 lacs in fiscal 2010 from Rs.134.29 lacs in fiscal 2009.

Earnings before Interest, Depreciation, Taxes and Amortisation (EBIDTA)

The EBIDTA in fiscal 2010 was Rs.751.45 lacs compared to Rs.573.67 lacs in fiscal 2009, an increase of 1.31 times.

Interest Costs & Depreciation

Interest expenses increased from Rs.18.58 lacs in fiscal 2009 to Rs.55.14 lacs in fiscal 2010 an increase to 2.97 times due to interest on working capital facilities from Axis Bank and on ICDs. Depreciation charge increased from Rs.21.14 lacs in fiscal 2009 to Rs.23.73 lacs in fiscal 2010 an increase of 1.12 times due to additional assets.

Profit before Taxes

The Profit before taxes (PBT) in fiscal 2010 was Rs.672.58 lacs compared to Rs.533.95 lacs in fiscal 2009, an increase of 1.26 times.

Dividend

The Board has recommended a Dividend of 5% (Re 0.50 per share) (in fiscal 2009 it was the same 5% ie., Re 0.50 per share).

Profit After Tax (PAT)

The company has achieved a PAT of Rs.661.64 lacs in fiscal 2010 as compared to Rs.521.97 lacs in fiscal 2009 an increase of 1.27 times.

FINANCIAL POSITION (UNCONSOLIDATED)

Share Capital

At present, we have only one class of shares viz., equity shares of par value of Rs.10/- each.

Rs. In lacs

	31.03.2010	31.03.2009
Authorised Share Capital* (increased during the year)	7000.00*	6000.00
Issued, subscribed and paid-up capital	2923.89	2923.89

Reserves and Surplus

Share Premium account remained unchanged at Rs.1562.11 lacs in fiscal 2010. Foreign Currency Translation Reserve was Rs.80.50 lacs in fiscal 2010 as against Rs.202.70 lacs in fiscal 2009. Profit & Loss account stood at Rs.374.85 lacs for the fiscal year ended 31st March, 2010 (fiscal year ended March 31, 2009 negative Rs.115.74 lacs due to accumulated losses). Total Reserves and Surplus at the end of fiscal 2010 was Rs. 2017.46 lacs as compared to Rs.1764.81 lacs in fiscal 2009. Sundry Debtors for the fiscal 2010 aggregated to Rs. 978.17 lacs (Rs.942.80 lacs for fiscal 2009). As a percentage of revenue, sundry debtors was 58.97 % in fiscal 2010 as compared to 64.51% in fiscal 2009. There had been increased focus on collections, still there had been delays from certain clients whose dues fell beyond stipulated credit period. The company continues to monitor and is working closely with clients to ensure that all dues are collected within a reasonable time.

Cash and Bank balances

The company had cash and bank balances of Rs.908.24 lacs as at March 31, 2010 ie., fiscal 2010 compared to Rs.203.37 lacs as at March 31, 2009 ie., fiscal 2009 .

Loans and Advances

Loans and advances were Rs.679.16 lacs in fiscal 2010 as compared to Rs.470.67 lacs in fiscal 2009. This increase is primarily attributable to:

a) higher loans and advances of Rs.535.70 lacs in fiscal 2010 as compared to Rs.393.23 lacs in fiscal 2009.

b) deposits, advances and others were Rs.143.46 lacs in fiscal 2010 as compared to Rs.77.44 lacs in fiscal 2009

Current Liabilities

Current Liabilities increased to Rs.666.76 lacs in fiscal 2010 as compared to Rs.604.23 lacs in fiscal 2009. The increase is primarily due to:

a) increase in sundry creditors Rs.544.37 lacs as at March 31, 2010 compared to Rs.404.40 lacs as at March 31, 2009

b) increase in advances for supply of services NIL for fiscal 2010 (Rs.187.06 lacs in fiscal 2009)

c) other liabilities Rs.122.39 lacs in fiscal 2010 as compared to Rs.12.77 lacs in fiscal 2009.

Provisions

Provisions made towards taxes, proposed dividend, tax on dividend aggregates to Rs.176.54 lacs as at March 31, 2010 as against Rs.228.33 lacs as at March 31, 2009

Miscellaneous Expenditure

Issue Expenses stood at Rs.49.69 lacs in fiscal 2010 (Rs.51.64 lacs in fiscal 2009).

CASH FLOW (UNCONSOLIDATED)

Cash Flow from Operations

In fiscal 2010, net cash generated was Rs.549.66 lacs (Rs.160.97 lacs in fiscal 2009). Apart from net profit before taxes of Rs.672.58 lacs in fiscal 2010 (Rs.533.95 lacs) the net cash generated includes non cash items like depreciation of Rs.23.73 lacs (Rs.21.14. lacs in fiscal 2009)

Cash Flow from Investing Activities

In fiscal 2010 the company used Rs.147.26 lacs (Rs.247.97 lacs in fiscal 2009) on investing activities (Rs.9.94 lacs in fiscal 2010), purchase of fixed assets Rs.102.49 lacs in fiscal 2010 {Rs.269.07 lacs in fiscal 2009}.

Cash Flow from Financing activities

In fiscal 2010, the significant item of cash used in financing activities includes, long term borrowings (net) Rs.349.79 lacs (Rs. 5.94 lacs in fiscal 2009), short-term borrowings (net) -Rs.123.73 lacs (Rs.3.56 lacs). Significant item of cash used in financing activities was due to payment of dividend including tax Rs.171.05 lacs (Rs.171.05 lacs).

Cash Position

Cash and cash equivalents as at 31st March, 2010 was Rs. 908.24 lacs as compared to Rs.203.37 lacs as at March 31, 2009.

Comparison of the consolidated financial performance of FY 2009 with FY 2008
Revenue from Operations

The company derives its revenues (Consolidated) mainly from , Hardware Sales & Services , Systems Integration, IT Infrastructure Outsourcing , Customised Software Development , Implementation of third party application packages , Banking Solutions and from Business Process Outsourcing. The company recognizes contracts priced on a time and materials basis when services are rendered and related costs incurred. The classification of revenues by geography and industry practice is more relevant when reviewed as consolidated results of the company. The company's consolidated revenues increased to Rs 20,167.02 lacs in fiscal 2009 compared to Rs 19,410.36 lacs in fiscal 2008 resulting in an increase of 3.90% despite global recession.

Revenue by Geography

Geography	Revenue (Rs. lacs) 2009	Revenue (Rs. lacs) 2008
Malaysia	1474.71	3176.55
United States of America	993.47	1346.77
United Arab Emirates	1695.94	549.48
India	16002.90	14337.56
Total	**20,167.02**	**19,410.36**

Expenditure

Employees cost

The Consolidated 'Total Employees Cost' for fiscal 2009 was Rs.3, 326.07 lacs (Rs 2,014.92 lacs in fiscal 2008). Total employee cost as a percentage of total income was 16.49% in fiscal 2009 (10.38% in fiscal 2008). This increase of 6.11% is primarily due to increase in headcount, increased contributions to retirement funds etc., coupled with onsite resources for projects in USA and Middle East. The total employee strength is 1556 in fiscal 2009 (1400 in fiscal 2008).

Administration and Other expenses

The nature of administrative expenses (other than employee costs) includes rent, rates, taxes, advertisement, repairs and maintenance, postage, telephone etc., amounting to Rs.1,272.79 lacs in fiscal 2009 (Rs 1108.68 lacs in fiscal 2008). As a percentage of revenue, these expenses increased from 5.71% in fiscal 2008 to 6.31% in fiscal 2009.

Earnings before Interest, Depreciation and Taxes (EBIDT)

The earnings before interest, depreciation and taxes (EBIDT) in fiscal 2009 was Rs.1459.04 lacs (Rs 1598.16 lacs in fiscal 2008). EBIDT as a percentage of total income is 7.23% in fiscal 2009 (8.23% in fiscal 2008).The reason for decline is due to increased input costs on manpower resources and financing cost without a corresponding increase in selling price.

Interest costs & Depreciation

Interest expense is Rs.391.33 lacs in fiscal 2009 (Rs 283.77 lacs in fiscal 2008) and Depreciation charge is Rs. 239.03 lacs in fiscal 2009 (Rs 202.66 lacs in fiscal 2008). The finance charges have shown an increase despite decrease in the amount of loans mainly because of high interest cost. Depreciation figure is largely unchanged at 1.18% in fiscal 2009 (1.04% in fiscal 2008)

Profit before Taxes

The Profit before taxes in fiscal 2009 was Rs.828.68 lacs (Rs 1111.73 lacs in fiscal 2008). As a percentage of revenue, the profit reduced from 5.72% in fiscal 2008 to 4.10% in fiscal 2009. The decline in profit before tax of 1.62% as a percentage of revenue can be attributed to higher input costs and financing costs.

Net Profit before Minority Interest and Dividend including Tax

The company's net profit before minority interest in fiscal 2009 is Rs.811.51 Lacs.Net profit as a percentage of total income is 4.02%. The corresponding figure during the previous year is Rs.772.43 Lacs at 3.97 % of total income. This is due to the effect of taxation. During the current year the company is under Minimum Alternate Tax (MAT).Thus the net margin has been maintained despite an all round increase in costs, pressure on selling price and volumes.

Minority Interest

Minority interest is that part of the net profit attributable to third party ownership interests in the company's subsidiaries.

Net Profit

The Company's net profit (consolidated) is Rs.801.71 lacs in fiscal 2009 (Rs 772.43 lacs in fiscal 2008). Net profit as a percentage of total income is 3.97% in fiscal 2009 (3.97% in fiscal 2008)

FINANCIAL POSITION (CONSOLIDATED)

Share Capital

At present, we have only one class of shares viz., equity shares of par value of Rs 10/- each.

(Rs. in lacs)

	31.03.2009	**31.03.2008**
Authorised Share Capital	6000.00	6000.00
Issued, subscribed and paid-up capital	2923.89	2923.89

Reserves and Surplus

Share Premium account stood unchanged at Rs 1562.11 lacs in fiscal 2009.

The opening balance of reserves as at March 31, 2009 was Rs 1483.42 lacs and the corresponding opening balance of reserves as at March 31, 2008 was Rs.1264.78 lacs

Balance in profit and loss account as at March 31, 2009 was Rs 630.66 lacs (Rs 74.21 lacs as at March 31, 2008)

Reserves and Surplus at the end of fiscal 2009 was Rs 3676.19 lacs, an increase of 26.71% over Rs 2901.10 lacs at the end of fiscal 2008.

Loans

Secured Loans at the end of fiscal 2009 were Rs.1, 949.01 lacs (Rs 2495.99 lacs in fiscal 2008).

Unsecured loans at the end of fiscal 2009 were Rs.2975.81 lacs (Rs 217.16 lacs in fiscal 2008)

Deferred Tax Asset & Deferred Tax Liability

As stated in accounting policies in Notes on Accounts, company had deferred tax asset in fiscal 2009 of Rs 27.27 lacs where as it had deferred tax liability (net) for fiscal 2008 of Rs 22.23 lacs.

Fixed Assets

Additions to Gross Block in fiscal 2009 amounted to Rs.476.42 lacs. The significant items of additions in fiscal 2009 were Plant & Machinery (0.08 lacs), office equipment (Rs.15.68 lacs), furniture & fittings (Rs.20.96 lacs), vehicles (Rs.21.48 lacs), computer systems (Rs.118.48 lacs), software packages (Rs.21.59 lacs), intangible assets (Rs.92.01 lacs) and an advance for capital purchase of Rs 186.14 lacs.

Goodwill on Consolidation

Goodwill on consolidation as at March 31, 2009 was Rs 5667.15 lacs (Rs 3228.16 lacs as at March 31, 2008).

Investments

Investments in mutual funds remained unchanged at Rs 10.50 lacs as at March 31, 2009 (Rs 10.50 lacs as at March 31, 2008).

Inventories

Inventory in fiscal 2009 stood at Rs.495.47 lacs (Rs 609.80 lacs in fiscal 2008).

Current Assets, Loans & Advances

Sundry Debtors

Sundry Debtors as at 31st March, 2009 aggregated Rs.5, 412.87 lacs (Rs 4274.63 lacs as at March 31, 2008). As a percentage of revenue, sundry debtors were at 26.84% as at 31st March, 2009 as compared to 22.02% as at March 31, 2008. There had been an increased focus on collections but due to clients facing economic difficulties as a result of general recession, there had been delays in both domestic and international clients whose dues fell beyond stipulated credit period. The company continues to monitor closely the creditworthiness of its clients and is working closely with them to ensure that all the dues are collected in reasonable time stipulated.

Cash and Bank balances

The company had cash and bank balance of Rs.606.91 lacs as at 31st March, 2009 (Rs 1761.84 lacs). Balance held in fixed deposits with banks was Rs 320.07 lacs as at March 31, 2009 (Rs 1477.55 lacs as at March 31, 2008).

Loans and Advances

Loans and advances as at March 31, 2009 were Rs 779.31 lacs (Rs 557.34 lacs as at March 31, 2008). The increase is primarily attributable to:

a. higher loans and advances of Rs 752.86 lacs as at March 31, 2009 (Rs 544.20 lacs as at March 31, 2008)deposits, advances and others of Rs 26.45 lacs as at March 31, 2009 (Rs 13.14 lacs as at March 31, 2008)
b. earnest money and others of Rs 637.45 lacs as at March 31, 2009 (Rs 177.65 lacs as at March 31, 2008)

Current Liabilities

Current Liabilities increased to Rs 3178.23 lacs as at March 31, 2009 as compared to Rs 2772.05 lacs as at March 31, 2008. The increase is primarily due to:

a. increase in sundry creditors Rs 2988.35 lacs as at March 31, 2009 (Rs 2624.80 lacs as at March 31, 2008)
b. increase in advances Rs 187.06 lacs as at March 31, 2009 (Rs 147.25 lacs as at March 31, 2008)

Provisions

Provisions made towards taxes, proposed dividend, tax on dividend aggregated Rs 421.93 lacs as at March 31, 2009 as against Rs 470.04 lacs as at March 31, 2008.

Miscellaneous Expenditure

Rights Issue Expenses, ROC expenses etc., stood at Rs 75.84 lacs in fiscal 2009 compared to Rs 78.92 lacs in fiscal 2008.

CASH FLOW (CONSOLIDATED)

Cash Flow from Operations

In fiscal 2009, net cash generated was Rs 51.22 lacs (Rs 643 lacs) from operating activities. Apart from net profit before taxes of Rs.828.68 lacs (Rs 1111.73 lacs) the net cash generated includes non cash items like depreciation of Rs.239.03. lacs (Rs 202.66 lacs)

Cash Flow from Investing Activities

In fiscal 2009, the company used Rs.2853.05 lacs on investing activities (Rs 4219.78 lacs in fiscal 2008). Significant amount of cash used in investment activities in fiscal 2009 are (a) acquisition/investment in subsidiary companies Rs.2380.29 lacs and (b) purchase of fixed assets Rs.476.42 lacs.

Cash Flow from Financing activities

In fiscal 2009, the significant item of cash used in financing activities includes proceeds of further issue of equity shares amounting to Rs.0.99 lacs (Rs 4932.01 lacs), long term borrowings (net) Rs.546.98 lacs (Rs 817.35 lacs), short-term borrowings (net) Rs.2758.65 lacs (Rs 23.80 lacs). In fiscal 2009, significant item of cash used in financing activities was due to payment of dividend including tax Rs 171.05 lacs (Rs 174.95 lacs). Interest paid and issue related expenses Rs 394.71 lacs (Rs 326.19 lacs)

Cash Position

Cash and cash equivalents as at 31st March, 2009 amounted to Rs.606.91 lacs (Rs 1761.84 lacs)

Comparison of the Consolidated financial performance of FY 2008 with FY 2007

Revenue from Operations

The company's consolidation processes of both wholly-owned-subsidiaries (WOS) and other subsidiaries were effected only after acquisition of these other subsidiaries and formation of WOS after November 2007. Hence comparison of consolidated financials as at 31st March, 2007 with the financials of 31st March, 2008 is not applicable. Consequently no such comparison of financials has been attempted in this report. However as the company's main business income on a Consolidated Basis as at 31st March, 2008 were derived for part of the period from these other subsidiaries and WOS whose revenues consisted mainly of income from ITeS and Software Consultancy and Development Services, the same have been described herein in this report. The company's consolidated revenues recognize contracts priced on a time and material basis when services are rendered and related costs incurred. The classification of revenues by geography and industry practice is more relevant when reviewed as consolidated results of the company in fiscal 2008, and the total operating income aggregated to Rs.19,410.36 lacs in fiscal 2008 (no comparison for fiscal 2007).

Consolidated Revenue by Geography in fiscal 2008

Geography	**Revenue (in Rs Lacs)**
Malaysia	3,176.55
United States of America	1,346.77
United Arab Emirates	549.48
India	14,337.56
Total	**19,410.36**

Expenditure

Employee cost

Employee Cost for the fiscal 2008 was Rs 2014.92 lacs. Total employee cost as a percentage of total income was 10.38%. There had been increases in the headcount and compensation packages commensurate with the market. The total employee strength was 1400(no comparison for fiscal 2007).

Administration and Other expenses

The nature of administrative expenses (other than employees cost) includes rent, rates, taxes, advertisement, repairs and maintenance, postage, telephone etc., amounting to Rs 1108.68 lacs in fiscal 2008.

Earnings before Interest, Depreciation and Taxes (EBIDT)

The earnings before interest, depreciation and taxes in fiscal 2008 was Rs 1598.16. The profit after tax (before maiden dividend during the year) as a percentage of total income was 4.64% in fiscal 2008.

Interest costs & Depreciation

Interest expense is Rs 283.77 lacs in fiscal 2008. Depreciation charge was Rs 202.66 Lakhs in fiscal 2008. In terms of total income, depreciation charge was 1.04% in fiscal 2008.

Profit before Taxes

The Profit before taxes in fiscal 2008 was Rs.1093.39 lacs

Maiden Dividend

The Board recommended a maiden Dividend of 5% (Re. 0.50 per share) amounting to Rs 146.19 lacs (excluding dividend tax of Rs 28.77 Lakhs)

Net Profit before Minority Interest

The company's net profit before minority interest in fiscal 2008 is Rs 726.02 lacs.

Net profit as a percentage of total income was 3.74% in fiscal 2008.

Minority Interest

Minority interest is that part of the net profit attributable to third party ownership interests in the company's subsidiaries.

Net Profit (after minority interest)

The Company's net profit (consolidated) is Rs 672.70 lacs. Net profit as a percentage of total income was 3.46% in fiscal 2008.

FINANCIAL POSITION (CONSOLIDATED) FOR FISCAL 2008

Share Capital

At present, only one class of shares viz., equity shares of par value of Rs 10/- each. During fiscal 2008 Authorised Share Capital was increased from Rs 30 Crores comprising of 3 Crores equity shares of Rs 10/- each to Rs 60 Crores comprising of 6 Crores equity shares of Rs 10/- each.

Reserves and Surplus

The net addition to the share premium of Rs. 1502.11 lacs during the year was due to premium received on issue of 20 Million equity shares @ Rs 12/- per share as Rights Issue and the issue price was with a premium of Rs 2/- per share. In addition, a premium of Rs 26/- per equity share (face value Rs 10/- per equity share) on 42, 38,890 equity shares was issued on a preferential basis for consideration other than cash (swap) during the fiscal 2008.

Reserves and Surplus at the end of fiscal 2008 stood at Rs 2976.32 lacs.

Loans

Secured Loans at the end of fiscal 2008 were Rs 2495.99 lacs. Unsecured loans at the end of fiscal 2008 were Rs 217.16 lacs.

Deferred Tax Liability (Net)

The company has deferred tax liability (net) of Rs 22.23 lacs.

Fixed Assets

Addition to Gross Block in fiscal 2008 amounted to Rs 710.54 lacs. The significant items of additions in fiscal 2008 were office equipments (Rs 63.44 lacs), furniture & fittings (Rs 83.46 lacs) electrical installations (Rs 2.50 lacs), buildings (Rs 193.38 lacs), vehicles (Rs 66.45 lacs), computer systems (Rs 127.86 lacs), software packages (Rs 9.33 lacs), intangible assets (Rs 145.24 lacs).

Investments

The company has been investing in various mutual funds during the fiscal 2008. These are typically investments in short-term funds to gainfully use investible cash balance with the company. The investments in fiscal 2008 stood at Rs 10.50 lacs.

Inventories

The company's inventory constitutes raw materials, components, sub-assemblies and finished goods. The inventory in fiscal 2008 stood at Rs 609.80 lacs.

Current Assets, Loans & Advances

Sundry Debtors

Sundry Debtors as at 31st March, 2008 aggregated Rs 4274.63 lacs. As a percentage of total income, sundry debtors were 22.02% as at 31st March, 2008.

Cash and Bank balances

The company had cash and bank balance of Rs 1761.84 lacs as at 31st March, 2008.

Loans & Advances

Loans & Advances as at 31st March, 2008 stood at Rs 557.34 lacs. Significant items of loans and advances were Other Advances Rs 387.34 lacs, rental deposits Rs 16 lacs, staff-advances Rs 1.15 lacs and deposits with government departments (Rs 1.70 lacs).

Current Liabilities & Provisions

Current liabilities as at 31st March, 2008 include Sundry Creditors Rs 2772.05 lacs, provisions made towards taxes, contingencies, proposed dividend, tax on dividend aggregated Rs 470.04 lacs.

CASH FLOW (CONSOLIDATED)

Cash Flow from Operations

In fiscal 2008, the company generated net cash of Rs 643 lacs from operating activities. Apart from net profit before taxes & write off of Rs.1093.39 lacs, the net cash generated includes non cash items like depreciation of Rs 202.66 lacs.

Cash Flow from Investing Activities

In fiscal 2008, the company used Rs 4219.78 lacs on investing activities. Significant amount of cash used in investment activities in fiscal 2008 are (a) acquisition/investment in subsidiary companies Rs 3466.19 lacs and (b) purchase of fixed assets Rs 753.59 lacs.

Cash Flow from Financing activities

In fiscal 2008, the significant item of cash used in financing activities includes proceeds of further issue of equity shares amounting to Rs 4932.01 lacs, long term borrowings (net) Rs 817.36 lacs, short-term borrowings (net) Rs 23.80 lacs.

Cash Position

Cash and cash equivalents as at 31st March, 2008 amounted to Rs 1761.84 lacs.

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

INDUSTRY OVERVIEW

The information presented in this section has been extracted from publicly available documents and reports prepared by third party consultants, which have not been prepared or independently verified by the Company and the Joint Global Coordinators or any of their respective affiliates or advisors. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.

We compete in the **Information Technology Industry** - Global IT Industry through our IT Services; IT managed Services and ICT space apart from KPO/ BPO services. We cater to Indian IT Industry through our Hardware & System Integration, IT services and Internet/ web related services. Accordingly, this section presents an overview of the IT Industry both Global and India with focus to the extent relevant to our operations. Worldwide spending on Information Technology (IT) continues to feel the effects of the global recession throughout 2010. The economic downturn caused most organizations to reduce budgets last year including IT spend. Though the worst is now said to be over, the pace of recovery is slow. At the forefront, the continuing impact of the economic slowdown has forced companies and governments to reprioritize spending and shorten goals in this period of continued uncertainty.

IT Industry Overview – Global Sourcing Trends

According to a new forecast from IDC, worldwide IT spending will increase by just 3 percent in 2010 at constant currency. In the U.S., IT spending is forecast to increase by less than 3 percent.

According to Gartner outlook for IT spending by industry vertical markets remains on par with overall IT spending. The table below mentions

IT Spending by Industry Vertical Markets Worldwide

(Millions of U.S. Dollars)

Vertical	2007	2008	2009	2010
Financial Services	524,120	548,025	502,616	515,927
Public Sector	438,829	464,288	443,368	459,969
Manufacturing	448,461	470,606	433,244	436,024
Communications	202,325	215,060	201,882	206,386
Retail	216,822	226,815	210,816	214,161
Services	171,459	182,374	172,061	175,046
Utilities	115,562	122,169	114,306	118,218
Transportation	103,522	108,565	99,842	101,711
Healthcare	79,592	85,058	79,798	82,207
Agriculture, Mining, and Construction	27,509	27,962	25,391	25,805
Grand Total	2,328,200	2,450,920	2,283,325	2,335,453

According to IDC, "Despite pent-up demand for upgrades and new applications following the deep spending cuts of the past year, economic uncertainty will combine with capital and credit constraints to inhibit spending in mature economies". The engine of global industry growth in 2010 will be in emerging markets, in particular China and India, where IT spending will recover much more quickly." Overall, IDC forecasts that worldwide IT spending will reach $1.48 trillion in 2010, still below the $1.5 trillion recorded

in 2008. "Following a decline in overall tech spending of 4.5% at constant currency in 2009, IT spending will not fully recover from the global recession until sometime in 2011," Minton noted.
IDC's forecast of 3% growth in worldwide IT spending is at constant currency, and does not assume future fluctuations in the value of the U.S. dollar or other international currencies over the next 12 months. If the U.S. dollar weakens in 2010, the actual recorded growth of IT spending in U.S. dollar may be significantly higher. Measured in U.S. dollars, worldwide IT spending declined by 8% in 2009 due to the stronger value of the dollar compared to 2008.

On a global basis, IDC expects:
- hardware spending to grow by 5% in 2010, In the hardware segment, worldwide PC spending is forecast to increase by 3% this year, up from the previous forecast of 2% growth, while the forecast for servers, storage, hardcopy peripherals, and network equipment have also been raised.
- software spending and IT services spending will grow by 2% and 3%, respectively, in constant currency. The outlook for software and services spending reflects the lower value of contracts signed in the past year and continued caution toward new project-based spending in mature economies.

As per the NASSCOM Report,
- Worldwide technology products and services related spend is estimated to reach USD 1.48 trillion in 2010, a decline of over 3 per cent over 2008.
- Worldwide hardware markets were hit worse than software or service markets as a result of the changing economic outlook: Corporations extended their hardware lifecycle and delayed plans for new hardware acquisitions, also curtailing their discretionary spend. However global corporations leveraged IT to drive organization wide efficiencies, transformation and new business models.
- BPO growth moderated on account of lower transaction volumes.
- Though the economic environment remains challenging due to a reduction in discretionary IT spending, the upside is that outsourcing can help organizations generally to work through these financial and competitive challenges. Change in customer expectations, emergence of new offshore locations along with new service providers delivering services through cloud computing promise to shake up this industry going forward.
- Recent global M&A activity in the sector indicates stronger services play for global hardware vendors, which will make this segment more competitive for the Indian vendors.

Global Outsourcing Trends:
According to International Association of Outsourcing Professionals(IAOP) , the year ahead is of tremendous pressure, the outsourcing industry is expected to enter the next decade with positive signs of rebounding,”. As companies recover from these tough economic times, outsourcing will enable them to emerge as leaders in the new global economy.”

Here are the top 10 trends to watch for in 2010 from IAOP with insights from top industry leaders:

1. ***Delayed Deals Get the Green Light*****:** The economic downturn over the past 12 to 18 months put many outsourcing deals on hold. Companies are now forging ahead with renewed confidence in the stability and growth of economic markets. The pricing will continue to be under pressure, outsourcing deals that were frozen will begin working their way through the sourcing and RFP process, leading to some significant new outsourcing activity in 2010.

2. **Desperately Seeking Value :** The tremendous pricing pressure on outsourcing deals renegotiated in 2008-09 will lead some companies to realize that deep pricing cuts have damaged relationships and the business value that outsourcing brings. Providers and customers will re-negotiate contracts more collaboratively to regain innovation and flexibility, and enhance total value.

3. **Flexibility to Get Out of Contracts:** With uncertainly still surrounding the economy, companies will hesitate to make long-term commitments with outsourcing service providers because of the fear

of the unknown and will lead to shorter term contracts, inflation indexing, currency exchange protection and volume band relief.

4. **Uncertainty Leads to Consolidation:** Global economic uncertainty, currency fluctuations and other market forces will encourage increasing levels of mergers and acquisitions on a global basis, particularly among service providers. This consolidation of outsourcing providers will drive higher value services and continue to put pressure on other players to be more strategic in their offerings.

5. **Outsourcing Hiring Return :** Expects to see growth in new graduate hiring in emerging outsourcing locations as well as wage increases of 8 to 10 percent in India and many other Asia Pacific locations, while the U.S and Western Europe will see much smaller raises. Rising inflation will lead to wage increases, creating increased pressure on margins.

6. **New Outsourcing Destinations Emerge:** Rising geographies in Central and South America will take market share away from traditional outsourcing locations, such as China. Offshore players will continue to expand and set up operations in new geographies, taking a share of an expanded pie.

7. **Tooling Up with Technology:** Companies will increasingly make use of advanced management practices, tools and technologies – such as ORM and cloud computing – to provide improved value and operational flexibility and performance.

8. **Social Responsibility:** Outsourcing practices will continue to be impacted by increased environmental awareness and social responsibility. The industry will be called on to step up its role as a leader in corporate social responsibility globally.

IT Spending Trends in India

IT spending in India is growing with the fact that companies are looking to improve competitiveness by adopting global best practices, leverage customised service offerings and new delivery models such as **SaaS(Software as a service)**, which ensures greater cost savings. Domestic IT services is expected to grow by 12 per cent in FY2010, while hardware spend is largely expected to remain flat in FY2010.

According to IDC's India ICT Market 2010 Trends Report Reveals

- IDC expects the combined India domestic IT-ITeS market to grow at 15.0% in 2010 to achieve revenues of Rs. 1,20,666 crore compared to Rs 1,04,906 crore in 2009.

- The domestic IT market is expected to grow at 13.0% in 2010 to touch Rs. 1,07,655 crore, while the domestic ITeS market is expected to post revenues of Rs. 13,011 crore, a growth of 35.0 %.

- The combined India domestic IT and IT-enabled Services grew by 5.4% in 2009 to touch revenue of Rs. 1,04,906 crore (compared to Rs. 99,654 crore in 2008).

***Table 1: India Domestic IT-ITeS Market Size** **(in Rs. Crores)**

Market Segment	2008	2009	2010	2013	Growth 2009 over 2008	Growth 2010 over 2009
Software	10,147	11,454	13,064	21,065	12.9%	14.1%
Services	24,322	27,888	32,190	52,071	14.7%	15.4%
Hardware+ Others	58,248	55,926	62,401	4,173	- 4.0%	11.6%
Total Domestic IT Market	92,718	95,268	1,07,655	1,67,309	2.8%	13.0%
Total Domestic ITeS Market	6,846	9,638	13,011	29,896	40.8%	35.0%
Total Domestic IT-	99,564	1,04,906	1,20,666	1,97,205	5.4%	15.0%

ITeS Market						

* **India Domestic IT-ITeS Market Top 10 Predictions 2010** report covers only the domestic Indian Information Technology (IT) and IT-enabled Services (ITeS) markets. IT-ITeS exports from India are not covered as a part of this study.

Indian IT-BPO Sector

The economic downturn contributed to reduction in spending in the last quarter of 2008 and 2009 and has come as a wake-up call for Indian exporters of technology and BPO services as many companies have reduced discretionary spend and the decision cycles have become longer and elongated. This in turn, has led to both pricing and volume pressures for IT service vendors.

Indian IT - BPO industry is facing multiple challenges and needs support to mitigate the recessionary impact and protectionist measures being adopted globally. The industry needs to find new avenues for growth and is looking at strategies to improve operational efficiency, expansion into new geographies, tapping verticals like manufacturing, telecom, healthcare, retail, public sector, education and drive domestic market growth.

India's edge in the off shoring domain was based on factors such as availability of people's skills, a conducive business environment, focus on information security and operational excellence by leading IT-ITES vendors and relevant financial structures. The year 2010 has come at a point when the Indian IT industry is adjusting to an altered landscape. The changed scenario presents opportunities in the crisis as a long tail of companies and processes that do not outsource, may be forced to open up to reduce costs .The changed scenario also presents an opportunity for Indian services vendors to improve their market share, while forcing them to diversify and de-risk across sectors and geography.

Indian IT-BPO Performance

According to NASSCOM, the industry is estimated to aggregate revenues of USD 73.1 billion in FY2010, with the IT software and services industry accounting for USD 63.7 billion of revenues. During this period, direct employment is expected to reach nearly 2.3 million, an addition of 90,000 employees, while indirect job creation is estimated at 8.2 million. As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 6.1 per cent in FY2010. Its share of total Indian exports (merchandise plus services) increased from less than 4 per cent in FY1998 to almost 26 per cent in FY2010.

The industry's vertical market mix is well balanced across several mature and emerging sectors. 2009 saw increased adoption of outsourcing from not only our biggest segment i.e., the Banking, Financial Services and Insurance (BFSI), but also new emerging verticals of retail, healthcare and utilities. The IT Services segment aggregated export revenues of USD 27.3 billion, accounting for 55 per cent of total exports. Indian IT service offerings have evolved from application development and maintenance, to emerge as full service players providing testing services, infrastructure services, consulting and system integration. IT outsourcing exhibited a strong growth, in line with the global trend, driven by increased spend in the remote infrastructure management. BPO, still is the fastest growing segment of the industry and is estimated to reach USD 12.4 billion in FY2010, growing at 6 per cent. The domestic IT-BPO revenues are expected to grow at almost 8.5 per cent.

Indian IT-BPO Value Proposition

Availability of quality talent at cost effective rates, rapidly developing infrastructure, an enabling innovation environment, supportive regulatory policies, and a positive overall business environment — are all central pillars of India's value proposition

- **Low cost of delivery-** India offers the lowest cost of delivery as compared to other off shore locations, with Tier-I locations offering savings of 70 per cent over source locations, Tier-II/III cities in India offer a still larger benefit.

- **High caliber talent pool-** Availability of skilled talent has been India's foremost attraction as a global sourcing country. India's graduate outturn has more than doubled in the past decade, with addition of 3.7 million graduates in FY2010, a scale unmatched by any other country. While some gaps in talent suitability exist, they are being addressed through strong provider-level initiatives and industry-led programmes.

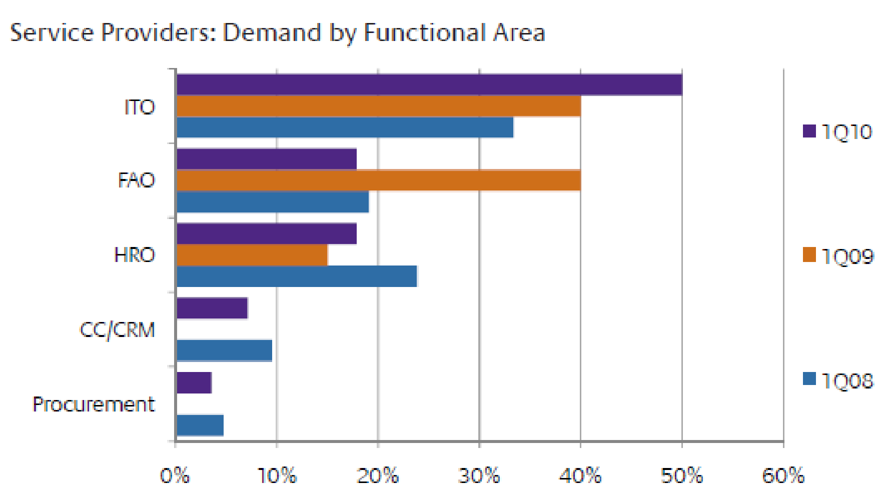
- **Robust process delivery-** The industry has been extremely quality focused, with India based centres accounting for the largest number of quality certifications achieved by any country. The industry has also set standards in the establishment and maintenance of best practices in corporate governance and leads in customer satisfaction.

- **Business environment and infrastructure-** Timely government policies and increased public private participation have played a key role in developing an enabling business environment for the Indian IT-BPO sector. India's strong education framework ensured ample supply of technical and non technical talent, while the establishment of Software Technology Parks of India (STPI), and later SEZs provided an enabling ecosystem for the industry to flourish. Infrastructure development has been addressed by both public and private sector, leading to the development of world class facilities in select cities.

- **Growing Indian market-** India has become, in purchasing power parity terms, the fourth largest economy in the world. India's economic growth since 1980 has been rapid. Real average household income has roughly doubled since 1985. With rising incomes, household consumption has soared and a new middle class has emerged. It is expected that India will go through a major transformation over the next decade and emerge as the fifth largest consumer market provided it continues its high growth path.

Global Economy's Impact on Outsourcing Demand

The global economic recession bottomed out in late 2009 in the U.S., but economic conditions vary significantly across geographies, industries and individual organizations. There is much debate about whether a "double dip" recession will occur in 2010. Regardless, economic conditions continue to heavily impact buyer usage and preferences for third-party services and the manner in which they consume these IT & BPO services, as illustrated in the research graph below which suggest an upward and secular growth trend in the upcoming years starting from the first quarter of 2010.



Outsourcing demand remains strong in the banking and financial services industry. This is not surprising given the challenges buyers in this sector are facing and their need to reduce costs, but shows buyers still

pushing sourcing efforts forward despite other operational challenges. This group is a prime example of an industry being forced to do more with less and leveraging outsourcing as a means to do so, but also one that faces many outsourcing complexities given the highly regulated nature of the industry.
Demand remains strong in SME (small medium enterprises) segment, though it is comprised of a proportionally higher percentage of non-outsourcing third-party services. SME organizations are showing increased interest in moving from manual / semi automated legacy customer software application environments to commercial ERP (enterprise resource planning) systems as a means to reduce operating costs, and improve and standardize service delivery models.

Key Conclusions from Industry Analyst Reports & Buyer Surveys
(Source: EquaTerra Advisor and Service Provider Pulse Survey Results - 1Q10)

- BPO and ITO market demand continued to grow in 1Q10 though at a slower pace than in recent quarters, especially in the view of EquaTerra advisors. Third-party business and IT service providers polled remained more bullish on outsourcing market growth. In interpreting their bullishness, however, it is important to differentiate between inherent outsourcing demand in the market and the ability of buyers and service providers to get deals closed.

- The range of functions and processes that buyers deem in-scope for outsourcing continues to grow. This includes both new process areas in more mature back-office functions, as well as more activity in less mature outsourcing areas like knowledge management, research and development, and real estate and facilities management. This bodes well for the long-term growth of the overall outsourcing market.

- There has been a slight resurgence in outsourcing deal flow disruption driven by negative economic conditions in western markets. This is manifested by more cautious buyers that are very hesitant to make any major up front outlays to support outsourcing efforts or enter into larger, more complex and uncertain deal arrangements. This double dip is creating market conditions similar to those witnessed in late 2008 and will likely continue for at least the next one to two quarters.

- Buyers still aggressive about reducing and keeping down operating costs continue to work to overhaul service delivery models, trends that are positive for long-term outsourcing growth. In the near to mid-term buyers more often are employing internal process improvement efforts or alternative service delivery models like shared service centers as a complementary or alternative means to outsourcing to enable these change efforts. More rapid and continual change, and even more diligent focus on process efficiency, is another aspect of the “new normal.” Buyers are employing a greater diversity of tools in response.

BUSINESS

(Information provided in this section pertains to Info-Drive Software Ltd. and its subsidiaries on a consolidated basis).

OVERVIEW:

Info-Drive Software Limited ("InfoDrive" or "the Company") is a multi-dimensional Information Technology and Business Process Outsourcing services Company, headquartered in Chennai, India. InfoDrive has service delivery centers across India, Kuala Lumpur (Malaysia), Dubai (UAE) supporting the business development centers in USA (San Jose and New York), and Singapore. InfoDrive has pan India presence of multiple systems integration centers to deliver Information Technology and Business Process Outsourcing services across the select verticals including BFSI, Telecom, Healthcare and Benefits Administration for the Pension Fund industry in USA.

Key events and milestones:
The table below sets forth some of the key events in the Company:

No	Year	Details
1	2006	BITECH acquired stake in Info-Drive and made an open offer in terms of SEBI (SAST) Regulations1997.
2	2007	Establishment of **Wholly owned subsidiary in USA** viz; Info-Drive Software Inc, USA
3	2007	Concluded **Rights Issue** of Rs 24 Crores (with premium).
4	2007	Acquired 100% control of a banking solutions provider company in **Malaysia** through **Preferential Allotment** Viz; BITECH, Malaysia renamed as Info-Drive Systems Sdn. Bhd.
5	2007	**Acquired** substantial stake (80%) in M/s. Combiz Trading LLC, Dubai
6	2007	**Acquired** Majority Stake (51%) in M/s. Precision Infomatic & its subsidiaries.
7	2007	Established a Branch & Incorporated Wholly Owned Subsidiary in **Singapore**
8	2008	Successfully signed off a USD 7.5 Million **Software solution contract with RHB Islamic Bank, Malaysia**
9	2008	Establishment of WOS in **Canada**
10	2009	**Acquired** majority stake in an IT services firm in Silicon valley - **Technoprism LLC**
11	2010	Permitted to trade at the **National Stock Exchange of India Limited**

Portfolio of Service Offerings

6. **IT Services** (India, Middle East, US & Malaysia)
    - Systems Integration
    - Custom Application Development
    - Portal Development & Web Analytics

7. IT Consulting (Global market)

- Business Consulting (Strategic)
  - Cutting Edge Demand Forecasting
  - Lean Process Improvement
  - Management Coaching
  - Org Change Management
  - Profitability and financial strategy
  - Balanced Score Card
  - Commercial and Strategy Planning
- Technology Consulting
  - **ICT-focused services (Middle East)-** Project Management & Technical Support services for the Telecom segment in the Middle-east market

- Third party Applications Integration & Implementation (India, Middle East, & Malaysia)
  - ERP – Microsoft Dynamics Implementation
  - Integrated Core Banking Solutions (Conventional & Islamic Banking)

8. IT Infrastructure Services (India, Middle East, US & Malaysia markets)

- Application Management Services
- Data Center Management
- Remote IT Infrastructure Management (RIM)
- Infrastructure Readiness Assessment
- IT Service Desk - Help-Desk & Break-Fix Support
- Managed Security Services

9. IT Products & IP Led Solutions (Global market)

- IT products Distribution
- Biometrics suite for Identity Management & Authentication
- InsTIL – unique tool for IT Asset Management
- CampIT – integrated solution for campus automation in educational segment

10. Business Process Outsourcing

- Benefit Administration KPO (for Third Party Administrators in US)
  - Plan Design
  - Plan Documents & 5500 Filings to IRS
  - Plan Administration
    - Contribution Processing & Compliance Testing
    - Valuation & Trust Accounting
  - Loan Administration
  - Plan Mergers / Plan Amendments
  - Plan Termination
  - IRS Forms

- Healthcare BPO for Medical service Providers in US
  - Medical Data Capture & Data Management
  - Medical Coding & Billing
  - Medical Insurance Claims Processing

IT SERVICES:

We help our clients to derive maximum value from IT investments. We bring together advanced technology, robust infrastructure, a large pool of talent and a proven global delivery model to provide a range of cost-effective and seamless technology services to companies around the world. From technology optimization to mitigating risks, there is a constant demand to evaluate, deploy and manage flexible, responsive and economical solutions. Outsourcing non-core operations can help transform business into a leaner and smarter organisation with greater adaptability to changing economic and business trends.

We custom design, develop and install software for a variety of client needs. Our projects range from single platform, single site systems to multi-platform, multiple-site systems and typically include new development and/or functional enhancements to existing software applications. We offer a range of services, including requirements analysis, design, implementation, integration and testing for our projects.

Our services also include the integration of distinct IT solutions and software systems, and often include procurement of various hardware and software products, development of software that enhances the compatibility between various components of the overall IT infrastructure and management of programs, vendors and consortia during this process. Our delivery model is backed by industry standard project management & quality practices, a state of the art infrastructure and by a team of highly skilled professionals.

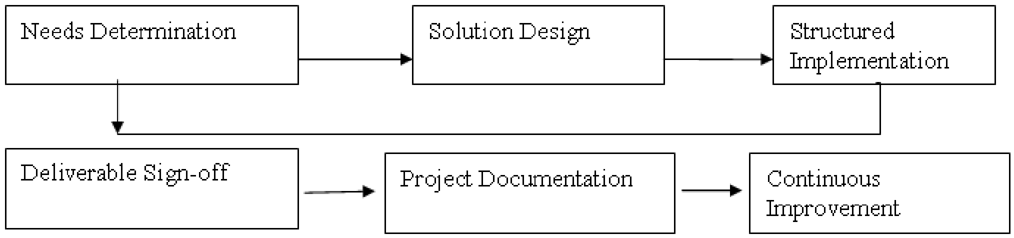
System Integration:

Enterprises, across a range of industries, will 'leverage' their existing IT infrastructure for greater competitive advantage by deploying innovative and high-value solutions. We lead the development of a technology framework within organization and accordingly, guide key support application decisions. Further, by conducting a detailed technology gap analysis, ascertain those usable tools currently in place plus identifying those missing and required to fully support service management processes.

Business challenges:

- Achieve greater collaboration and integration with key partners, suppliers and customers to drive quick response to customer demand and market opportunity
- Take advantage of the existing integration infrastructure to support current and new business processes across the enterprise
- Implement effective program management and governance to successfully deliver large and complex projects
- Integrate a wide variety of platforms, technologies, packages and custom applications
- Implement technology to support large scale business transformation that drives significant improvements in business flexibility, responsiveness, functionality and cost management.

The requirements will typically vary depending upon the maturity of these processes. The need for and the sophistication of these tools, will depend upon the needs of the business for IT services and the size of the organization. We provide a range of SI services including architecture design, project planning, selection of technology components, testing, deployment, operations and maintenance services. We have developed a six-phase delivery process and the process is unique for each service, they share these common features:



This six-step execution model is based on quality standards to enable cost-effective operations and support. We provide SI solutions to clients in various industries, including telecommunication, banking, financial services and insurance. Collectively, we present end to end solutions in ERP, business analytics, middleware and infrastructure management to offer high value Systems Integration services.

Custom Application Development:

Custom application development services provide our clients with a tailored solution that will streamline the clients' systems and optimize their performance. We understand that every organisation has its own unique methodology and approach to business practice therefore necessitating a distinctive solution. The market is flooded with bottled solutions that only superficially address business needs. We deliver solutions quickly, accurately, and efficiently developed specifically based on the business requirements. All custom applications are developed with post-implementation issues in mind.
With our in-depth domain and technical expertise and industry standard quality processes, we enable our clients to solve complex problems, mitigate risks and meet their business objectives. This process can be used for:

- New Application Development
- Application Enhancement
- Application Consolidation

Our industry proven project execution methodology – The TechP way, ensures project and strategy success.
Our flexible engagement models help to strike the right balance between operational efficiency and cost through associated systems & processes that are geared to provide customers with a high level of transparency and full control. Our generally accepted models or a combination are:

- Effort based pricing or Time & Material
- Milestone based billing
- Dedicated Development Facility or Retainer
- Project based pricing or fixed bid

We have a dedicated Offshore Development Center designed to specifically carry out development activities with our cross technology expertise and hands on experience with ISO 9001:2000 compliance and strict quality assurance methodologies. In addition our development process follows a well defined System Development Lifecycle and a stringent Quality Management System so each stage of the application development process is monitored, reviewed, audited and controlled. With time tested methodologies for providing quality software maintenance and support services, we further have a Global Competence Centre that employs Industry Experts to provide maintenance and support 24x7. Our procedures are in tuned to be in line with ITSM processes and designed to accommodate ISO 27000 standards.

Our subsidiary - TechnoPrism LLC, is a specialized IT services firm providing product design, development & customization solutions to technology companies in the Silicon Valley like Intel, Sun, eBay, First Home Loan Bank(FHLB) to name a few.

The range of service offerings entail Business Consulting for creating the Technical specifications, Design & Prototype of Portal based applications, Development of Portals, QA/Maintenance of custom applications, Performance Management of applications and Ongoing support onsite/offsite from the Labs at San Jose, CA.
Since 1999, the firm has undertaken and delivered 'turnkey' projects on a fixed-cost basis against definitive deliverables/milestones thereby providing a risk-mitigated solution to the clients. Backed by a strong project management methodology, the firm leverages the rich repository of proprietary reusable templates to execute the projects in a timely manner and not be constrained by resource availability. This unique, non-linear execution model is made effective by the set of product suite developed by TechnoPrism delivery team for the key business applications the firm undertakes.

The products are –

- TechP Sales (Web Portal store front) - to automate monitoring of the ongoing Mktg. & Sales activities and the sales force activity

- TechP Recruit – to monitor the recruitment (permanent and T&M based) activity, right from demand identification till the candidates get into the project

- TechP TMS – to support the time tracking management of resources deployed in projects

We identified the following growth engines that can drive significant revenues for the firm in FY10-11 and beyond-

- Offshore offerings with CoE approach (Centre of Excellence) for each technology skill based on the onsite success so far.

- 'Virtual Offshore' model wherein onsite projects at onsite rates are executed collaboratively with offshore teams to generate increased profitability.

- Productizing key offerings like 'My Marketing' portal, 'Mask Operations' etc to go to market to similar client base in technology segment and create a niche uncontested space.

All of the initiatives have been launched during this current quarter (AMJ 2010) based on the Purchase Orders' received from some of the key clients. Plans are also in place to augment the Program Management team in the US with domain experts in various functional areas for stronger business alignment with the technology tools being deployed.

Internet / Online Marketing Practice:

Our Online Marketing practice endeavors to enable organizations leverage web as an effective marketing tool to enhance branding and increase revenues. Search engine marketing is also known as internet marketing as well as SEM, which helps increasing visibility in internet/ online. We provide these services through our subsidiary Precision Techconet Private Ltd. Our offering includes:

- Website Design & Development
- Search Engine Optimization (SEO)
- Search Engine Marketing (SEM)

We have proven and time tested search engine promotion methods based on research & technology updating on our end. Our SEO experts help to strategically improve search engine placement with desired keywords by using innovative and widely accepted search engine optimization technique and implement search engine marketing campaign. Some of our techniques include:

- Search engine marketing through leading search engines.
- Search Engine Marketing through Directories

- Search Engine Marketing through Posting Trade Leads
- Search Engine Marketing through Pay Per Click (PPC) Management Programming
- Search Engine Marketing by In depth Keyword Research
- Search Engine Marketing by One Way Link Building.

IT CONSULTING:

Info-Drive offers both Business and Technology consulting services that supports strategic business objectives in this competitive business environment. As organisations move up the value chain, we help drive the business momentum in the light of challenges arising from globalisation, competition and the dynamics of customer loyalty. The various consulting practices enable to achieve execution excellence, cost leadership and business agility through IT, resulting in sustainable business leadership. Our consulting services:

Business Consulting:

InfoDrive offers business consulting in various areas of business operations by defining, aligning and optimizing its client's business goals & objectives. We take time to understand our client's business, their requirements and needs, and then create customized solutions that deliver tangible benefits, add value and improve their business processes. Our services include:

- Top-line and Bottom-line Audit and Improvement
- Cutting Edge Demand Forecasting,
- Lean Process Improvement
- Management Coaching,
- Org. Change Management
- Profitability and financial strategy
- Balanced Score Card
- Commercial and Strategy Planning

Technology Consulting:

Foresight to evaluate new technologies from a practical perspective and focus on key industries has resulted in accumulation of extensive domain knowledge about business processes. This has enabled us to deliver quality and cutting edge solutions to our clients; IT solutions, that are innovative and yet in synch with industry best practice, ensuring seamless coordination across strategy, implementation and management of technology with emphasis on future-proof solutions

ICT-focused services (Middle East) - Project Management & Technical services for the Telecom segment in the Middle-east market:

Infodrive unique 'e-Living' Practice that provides automation, digital life-style, community networking & unified integration of media, telecom and internet for homes & community. The scope of work includes providing community datacenter, call-center & e-Living experience. Hardware Platform, Software Drivers & Applications are developed in conjunction with several OEM & technology giants including Microsoft and Cisco.

Industry leaders in establishing a truly unique 'e-Living' Practice that provides automation, digital life-style, community networking & unified integration of media, telecom and internet for homes and community.

Info-Drive's e-Living Practice was launched for Dubai Lifestyle City LLC(DLC) which is a super luxury property development in DubaiLand, Dubai, UAE. DLC's vision is to bring together an Haute Living experience that is never before experienced. Haute Living is envisaged thru a combination of super-luxury home, world-class community infrastructures, high-speed network connectivity & top-of-the-line infotainment solutions.

The e-Living Practice entails solutions such as Distributed Audio-Video technology, Pervasive Grid Computing Technology, Recommender Technology, Network & Media Convergence Systems, Master System Integration with other eLiving & Security subsystems. These solutions are utilized in home automation, community connectivity, telecom-internet-media convergence and other requirements for state-of-the-art unified infotainment solutions. Info-Drive's eLiving services are categorized into technology horizontals and Industry verticals.

The technology horizontals comprise of :

Home Automation

- Home Theatre Solutions
- Equipment and Lighting control
- Intelligent Home System Integration
- Media Storage & Search Services
- Wireless Personal Area Network
- Custom Entertainment Solutions

Community Connectivity & Data centre Apps

- eConceirge Applications- Travel Desk, Event Planning & Centralized Billing Apps
- Broadcast Automation - Media Streaming Services for Opera, Contest & Talkshows
- Standard & High Definition Video Conferencing
- Linking world's Smart-Communities [xNet : Exclusive-Network for Lifestyle interaction/gaming]
- AdLive: interactive advertisements direct to living rooms, AdTitlers, Large Screen Digital Hoardings, opinion polls
- NEWS: Community Radio FM Station, TV Station Broadcaster Solution
- Health & Happiness - Telemedicine & Talkshow

Telecom-Internet-Media Convergence

- Home Gateway
- Community Gateway
- Business Gateway

The industry verticals seeking such unique solutions include

Realty

- Shopping Malls
- Residential Villa
- Smart Communities

Travel

- Public infotainment systems for mass transit – airport, Metro rail system.
- High Productivity offices/Improved Non-Desk Productivity
- Sales organizations
- Software Technology Park
- Large integrated office spaces
- Business command centre

Other Turnkey Requirements:

- Music Concerts
- Theme and Amusement Parks
- Casinos / Gaming Centers

Info-Drive is perhaps the only service provider in the world to offer such an integrated lifestyle solutions covering full spectrum of eLiving: Home Infotainment, Connectivity, Community Technology services, Security and more, with a proven delivery track-record and show-case of all components of technology solutions in play. Research Analysts estimate the size of E-Living market at 24 Billion USD. It also indicates that hotels and gated community as early adopters of this technology & associated services. The size of this market is expected to increase with the increase in internet penetration and expansion of metropolitan cities globally.

Third party Applications:

While ERP systems have delivered proven value in streamlining enterprise processes, organizations face the associated immense challenges of support, upgrades, integration, change management, and controlling cost and schedule overruns.

We have helped companies successfully implement ERP systems through our experience implementation; integration and extending functionality that has help us develop capabilities in architecting scalable and adaptive customer solutions, which support incremental enhancement with built-in modularity. Our implementation and integration methodologies speed time-to-value delivery for a number of reasons, including their incorporation of the right analytics for real-time decision-making. We implement solutions to seamlessly integrate applications across disparate platforms and technologies. Our core ERP implementation practices are Microsoft products.

We work with clients in diverse sectors including Banking and Finance Sector.

Our ERP services expertise includes both packaged suite implementation and the integration of diverse and distributed application portfolios - within and across the extended enterprise. We support customers across the entire range of the application life cycle, from package evaluation through implementation, to post-implementation support.

Microsoft Dynamics Practice

Today the biggest challenge any small/medium sized (SME) enterprise faces is to transform itself into an efficient, cost-effective, streamlined, and quality-driven entity driven by a robust ERP system that is easy and flexible on implementation cycle. This is achieved by implementing an Integrated Business Solution like the MS Dynamics Suite, which optimizes the Financials, Supply Chain and the Human resource functions seamlessly. It would additionally facilitate organizations to take strategic initiatives, like E-Business, and integrate with the external ecosystem as well to enhance competitive advantage in the industry it operates in.

Service offerings include:

- Product Implementation
- Customization and Enhancements
- Post Implementation Audit
- Version & Product Upgrades
- Application Integration
- Hosting and Support Services

Services – To North American MS Dynamics Partner:

- Add-on development assistance
    - Full product / module development on custom specs
- Integration to 3rd Party products
- Maintenance of Add-on products developed by you
    - Upgrade across various versions
    - Support on multiple Versions (debugging, changes)
- Product Migration Services
    - Migration strategy, Design Re- architecture and Platform Migration
- Professional Services
    - Onsite assistance – Functional/Technical resources

Services – To Partner's End Customers:

- Upgrade of customer installations
    - Customer specific customizations upgrade
    - Data Migration
- End-user support
    - Level I - Initial Level support responsible for basic customer issues
    - Level II - In-depth Technical Support
    - Level III - Highest level support responsible for handling most difficult and advanced problems

Products:

- Microsoft Dynamics NAV
- Microsoft Dynamics AX
- Microsoft Dynamics GP

Microsoft Dynamics NAV:

Microsoft Dynamics NAV is an Enterprise Resource Planning (ERP) software product from Microsoft. Our Microsoft Dynamics NAV team provides integrated e-business solutions to help you, and the people who work for you, maximize efficiency. Microsoft Dynamics NAV makes it easier for your team to do business with your customers, vendors, and partners.

NAV Solutions:
Microsoft Dynamics NAV applications address the following business needs:

- Financial Management
- Supply Chain Management
- Manufacturing
- Distribution
- Sales and Marketing
- Purchase and Payables

NAV Expertise:

- Microsoft Dynamics certified consultants
- Experience on NAV Implementation – Ver. 3.0, 4.0, 5.0
- Implementation of XML Port Feature
- Compare and Merge tool
- Expertise on upgrades from NAV 4.0 to 5.0
- Experience in upgrading the objects in NAV database
- Extensive customization & Integration (to NAV) experience

Microsoft Dynamics AX

Microsoft AX is a multi-lingual and multicurrency Enterprise Resource planning software product for midsize and larger companies. Microsoft Axapta is designed to scale easily in order to support your growing business and has core strengths in manufacturing and e-business; there is an additional strong functionality for the wholesale and services industries.

AX Solutions:
Microsoft Dynamics AX applications address the following business needs:

- Manufacturing
- Financial Management
- Sales and Marketing

- Human Resources
- Supply Chain Management

AX Expertise:
- Microsoft Dynamics certified consultants
- Experience on AX Implementation – Ver 3.0, 4.0
- Implementation of Business Portal
- Expertise on MorphX and X++
- Extensive customization & Integration (to AX) experience

Microsoft Dynamics GP:

Microsoft Dynamics GP is a business management solution that provides growing and midsize organizations with complete and scalable financial and operational functionality. Microsoft Dynamics GP is a part of the Microsoft Business Solutions family that runs on top of a Microsoft SQL Server database. It is adaptable, cost-effective and easy to maintain where reporting modules are built-in and easy to use. Microsoft Dynamics GP has clear road map that works well with MS Office.

GP Solutions:
Microsoft Dynamics GP applications address the following business needs:

- Financial Management
- Human Resource Management
- Project Management
- Manufacturing
- Distribution
- Field Service Management

GP Expertise:
- Microsoft Dynamics certified consultants
- Experience on GP Implementation – Ver 7.5, 8.0, 9.0 & 10.0
- Implementation of Business Portal
- Expertise on FRx, Dexterity development, Dexterity Report Writer, Modifier, Crystal Reports & other tools (Integration Manager, SmartList)
- Extensive customization & Integration (to GP) experience

Our Value Proposition to this market segment
- We Operate as an Extended Delivery Arm - Offshore Development and Services Center certified by Microsoft
- Microsoft Gold Certified Partner with access to all best practices
- Rich Product Development and Domain expertise in projects team
- Industry expertise – Manufacturing, Retail & Services
- Demonstrated Skill Set
  - ✓ Project Management Skills
  - ✓ Strong force of highly skilled Professionals
- SLA based Services providing flexible pricing models

INTEGRATED Core Banking Solutions (Conventional & Islamic Banking) implementation on turnkey project basis:

Our solution framework provides quick go-to-market capability for businesses following the Islamic banking model in terms of enabling services through multiple delivery channels and implementing ready-to-use, yet configurable business processes. The solution can be implemented in modules thereby helping the enterprise to automate critical business units on priority and cover its entire business in a phased manner.

The solution delivers end-to-end automation of all the business processes, workflows, customer service and back office. It provides an integrated General Ledger, Profit & Loss and Balance Sheet.

Our commitment and expertise in the banking and financial sector along with our partners at a global level and in specific the Islamic banking and finance industry is underlined by the fact that some of the world's largest Islamic Banks are our customers. This prestigious user base, coupled with our extensive business know-how, means that our company is ideally positioned to employ its substantial market knowledge and convert it into relevant strategic advantage for its clients. As such, we are unsurpassed in its breadth of understanding, and its ability to support, the complete range of Islamic financial institutions requirements worldwide. In an era when individuality and uniqueness is important, the following key strengths enable our customers to leverage their competitive advantage.

- Knowledge and expertise in the global finance industry and in specific the Islamic banking sector (both investment and commercial)
- Knowledge and expertise in the latest technologies and continuous evolvement
- Knowledge and expertise in implementing these technologies and adapting it to the banking and finance industry
- Experience in internal and external streamlining of businesses
- Excellent Project Management Capabilities
- Change management skills
- Access to Best Practices in the banking industry / Islamic Shariat board
- Ability to provide executable Banking Operations Model
- Resource Mobilization and Management Skills

IT INFRASTRUCTURE SERVICES:

Our comprehensive, industry-leading portfolio of infrastructure management services guarantees high reliability, round-the-clock availability, remote manageability, and optimum scalability. Our services include:

Onsite Infrastructure Management Services
- Datacenter Support Services
- Network Support Services
- Security Support Services
- End-user Support Services

Converged Communication Solutions
- Campus & Premise Cabling
- Data Center Infrastructure
- Routing & Switching
- IP Telephony

Enterprise Management Solutions
- Service Desk & Asset Management
- Network & Systems Management
- Remote Support Tools

Remote Infrastructure Management Services
- Datacenter Support Services
- Network Support Services
- Security Support Services
- End-user Support Services

Information Security Solutions
- Network Perimeter Security

- Mobile Perimeter Security
- Application Security
- End Point Security

Technology & Process Consulting Services
- Consulting and Auditing Services
- Vulnerability Assessment and risk mitigation solutions
- Pre-certification consulting for ISO 20000

Our Management Services are designed to provide comprehensive coverage for technology infrastructure while maintaining a straightforward 'menu' of service level choices. We offer our customers the flexibility to evaluate each service and derive measurable benefits for their organization. Our current target geographies are India, North America and Far East Asia. Our target business vertices in these countries are BFSI, telecom, retail and IT-ITES.

Annual Maintenance Contracts:
We deliver a comprehensive on-site annual maintenance services that provides our customers on immediate resolution of their IT related difficulties. We serve irrespective of the brand, configuration, platform or technologies.
We maintain all the components of their network inclusive of all computer systems and peripherals for an annual fee to ensure that all their equipments work at optimal levels with minimum downtime.

IT PRODUCTS & IP LED SOLUTIONS:

IT products Distribution: The company through its subsidiary Precision Infomatic (M) Private limited is one of the leading distributors of IT products offering entire range of IT products like peripherals, printers, scanners, plotters, supplies (cartridges), PC components(monitors, hard disks, CD writers, CD ROMs, processors, motherboards), PCs, UPS, Networking, packaged software, storage, high-end servers, offered by multiple vendors. The company through its subsidiary Precision Infomatic (M) Private limited has successful partnership in India with:

- Microsoft- Gold Certified Partner
- Hewlett-Packard
- Premier Enterprise Business Partner
- Authorized Service Delivery Partner
- IBM - Premier Business Partner and Authorized Support Partner
- Novell - Gold Certified Partner
- VMware

Over the years, has been recognized with:

- Best Commercial Reseller (TN & Kerala) for Hewlett Packard.
- Best Partner for Customer Satisfaction - Awarded by Hewlett Packard.
- Rated amongst the top 20 System Integrators in the country by DQCI (part of Data Quest group of publications).
- Rated as the fastest growing SI in the country by DQCI.
- Named the Best Support partner for HCL.
- 6th Ranked channel partner in India.
- 9th Ranked System Integrator in India.

Certifications:

Over more than 500 dedicated Sales and Support Personnel and this includes a team of high caliber Microsoft certified, HP certified, IBM certified, Novell certified, Linux certified and Vmware certified professionals.

IP LED SOLUTIONS: The Company has focused on building Intellectual Property (IP) led tools like InsTIL, CampIT and Biometrics solutions.

InsTI L- unique tool for IT Asset Management:
InsTIL TM is a web enabled ITSM (Information Technology Service Management) tool developed by our subsidiary-Precision Techconet Private Limited based on ITIL (Information Technology Infrastructure Library) best practices framework.

InsTIL is designed by a team of ITIL Certified consultants and developed by a team of Microsoft Certified professionals on Microsoft platform for achieving ISO 20000. The tool automates the critical process areas of ITSM such as Incident management, Configuration management, TM Change management and Service level management. InsTIL also enables proactive monitoring of critical IT assets TM thereby preventing potential failures and ensuring maximum utilization of IT Resources. InsTIL has emerged as a fully integrated, modular, customizable and cost-effective solution that assists businesses in management and delivery of IT Services.

Biometrics suite for Identity Management & Authentication:
Legend Systems Pvt Ltd (subsidiary) addresses the critical Identity Management solution requirements based on Biometrics technology. Our product 'Avant Guard IT' is a USB based Finger Print Scanner that connects to any Client system. The state-of-the-art architecture and modular structure of the solution allows customer centric solutions that go beyond the limits of product business. The range of competences covers everything from consulting to design proposals to usability analyses and the evaluation of biometric performance and security. The suite of biometric software applications include:

- Biometric Access Control and Keyless Entry
- Biometric Username and Password Replacement
- Biometric Employee Time and Attendance
- Biometric Payment and Transaction Solutions

We have built all components using indigenous research and development, in our own manufacturing process that is not dependent on kits from third party sources. Our current set of products include:

- Avant Guard Auto, a solution that provides managed access to automobiles,
- Avant Guard IT, a solution for managed access to networks and IT systems,
- Avant Guard Access Control for physical access to building and terminals,
- Avant Guard 32-bit SDK, a true 32-bit microprocessor kit.

We provide integrated solutions for many industrial verticals among which the ones for financial sector, IT industry, healthcare sector and the public sector being our strong points. Renowned customers have been successfully using biometric identity & access management solutions and appreciate the tailor-made solutions that fulfill any or all of the stages in the Product Life Cycle of a fingerprint based biometric product.

Recently have designed and implemented a fingerprint based logical access solution for a leading Public sector Bank in India. The bank wanted to provide a two factor authentication using Fingerprint Biometrics for their Core Banking System (CBS) for better end point security. The whole solution was designed, developed and implemented meeting all the required standards and stringent norms of the bank and the CBS solution provider.

CampIT – integrated solution for campus automation in educational segment:
CampIT is an end to end solution for the educational segment that integrates all the stakeholders in the system namely Parents , Faculty , Students and Management. On a web enabled platform it enables centralized control of all activities like Admission, Operation and Administration. C@mpIT consists of various functionalities like Admission Management, library mgmt, fees mgmt, hostel mgmt, exam mgmt

etc. It provides the management centralized control over all the activities. CampIT is similar to the windows platform whereby you have the various icons for various tasks operable in a single operating system.

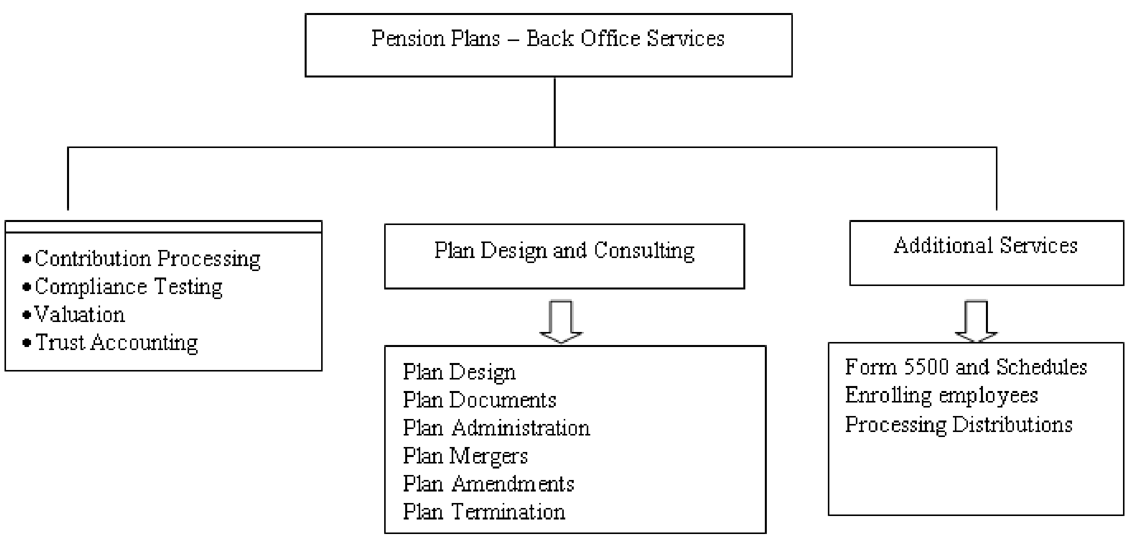
Broadly the solution has the following functionalities:

- Admission Management
- Fees Management
- Course Management
- Attendance Management
- Time Table Management
- Exam Management
- Library Management
- Hostel Management
- Transport Management
- Inventory Management
- Queries Management
- Financial Accounting

BUSINESS PROCESS OUTSOURCING

Benefit Administration Outsourcing:
Info-Drive's Benefit Administration Outsourcing offers 401k services to Intermediaries and Accounting firms in US (TPAs). Our offshore benefits administration services provide the TPAs an opportunity to reduce their administration cost while variablizing their fixed cost structure, increasing profitability, thereby enabling them to offer a better pricing structure for their customers. Having evolved this practice from a TPA entity, we have a vast repository of industry best practices quality assurance procedures and checklists that are unmatched in the outsourcing vendor community.

We are perhaps the only Plan outsourcing company from India with ASPPA ('The American Society of Pension Professionals & Actuaries) certified and IRS (Internal Revenue Service) licensed professionals. Led by an experienced QPA, our team leads are Accredited Pension Administrators, APA- a professional certification given by the National Institute of Pension Administrators (NIPA), a leading pension industry accrediting organization. We administer all types of defined contribution plans including 401(k), profit sharing, money purchase, 403(b) plans. Our services include:



Key Differentiators

- Team led by a certified QPA
- Pioneer in offshore service delivery for end-to-end Benefits Administration in Defined Contribution and Defined Benefits Plans
- Deep domain expertise in Total Benefits Administration with industry certification and accreditation
- ISO 27001 and BS7799, ISO 9000 compliant.
- Moving towards blended shore model thereby providing a wider array of services with onsite support backed by offshore execution
- Strategic Alliance with large TPAs(Third Party Administrators) who also function as aggregators of large Plans from various institutions across the US

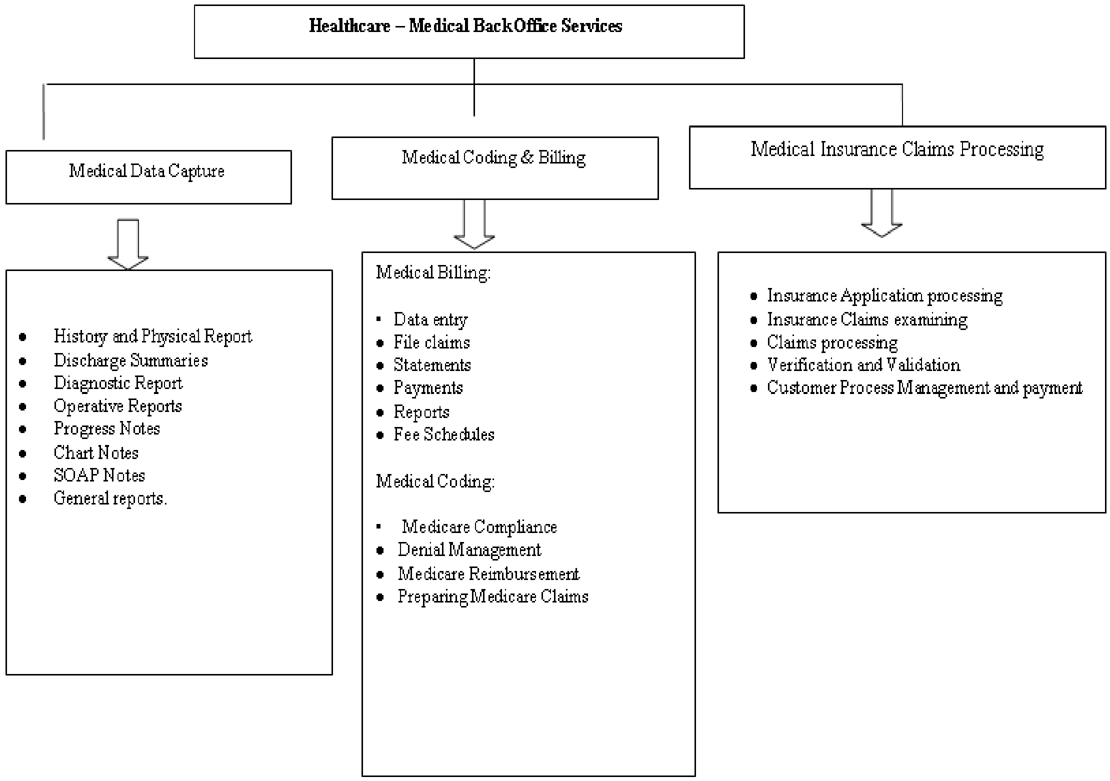
All services are provided based upon an agreed fee schedule, with a flexible billing plan, including Hourly rate, Transaction based & Volume based pricing on Plan & Participant numbers, and Revenue Sharing as well.

In line with its stated strategy of growing this Practice through strategic alliances with large TPA's, Info-Drive entered into a definitive contractual Joint Venture agreement with BCG (Benefits Consulting Group) which is engaged in the business of retirement and financial planning administration and related services in the United States and ranks amongst the top 10 TPA's in the industry.

The purpose of this Contractual Joint Venture is to establish a captive-like offshore delivery services for BCG and jointly promote and market the services of Info-Drive to all BCG client base in the US, thus establishing a non-linear growth platform for the Practice.

The range of services being offered by this JV consist of full spectrum of Benefits Administration processing in Pension funds, Finance & Accounting back office processing, Payroll processing & Advisory services related to integration of merged Entities & Plans.

Healthcare Outsourcing:
Info-Drive's Healthcare Outsourcing offers a unique proposition that leverages both Healthcare providers and payers, with complete HIPAA compliance business processing support. We provide a host of Healthcare Outsourcing Solutions across the Physician, Dental and Hospital space in US. In the areas of Medical Back office, we offer an integrated service delivery solution. The following diagram illustrates the services:



With operational center located in Chennai in India and staffed with trained associates, Quality Assurance leaders and dedicated customer relationship management team with a full-fledged training program to create new resources.

Medical Data Capture:

- Transcription services in specialties including pediatrics, orthopedics, gastroenterology, cardiology, internal medicine, radiology, chiropractic, podiatry, and so on. We offer transcription of medical reports for private practice, Medical Records Department at hospitals, or any other correspondence where medical terminology is needed.

- General correspondence services including History and Physicals, Patient Progress Reports, Consultations, Discharge Summaries, Chart Notes and Narratives, Radiology Reports (CT Scans, MRIs, Barium Studies, Angiograms, Mammograms, etc.), Hospital Progress Notes and Procedure Notes, ER Reports, Surgical Procedures and Operative Reports, Independent Medical Evaluations, Peer Reviews

Medical Coding Services:

Our Medical Coding service enables individuals and Hospitals to file a claim with the patient's health insurance provider and/or managed care organization adhering to different coding standards. Our specialty is ICD-9, CPT, HCPCS outpatient (physician) coding for the CMS-1500 form. Our team consists of experienced coders and senior technicians with several years of clinical experience in multiple medical specialties, who have received their CCS-P and/or CCS credentials. We handle Compliancy Services, Denial Management, Medicare Re-imbursement, and Medicare Claims.

Medical Billing Services:

Our Medical Billing experts understand database management, spreadsheets, email, and possess state-of-the-art word-processing and accounting skills, and proficiency in bookkeeping. Our medical billing specialists also process responses from insurance companies that include the Explanation of Benefits (EOB). Our medical billing services include Data Entry Services, Filing Claims, generating Statements, Payments, and Reporting.

Doctors Card Management:

Our Doctors Card management entails appointment scheduling for multiple doctors in multiple facilities. Appointment page shows Doctor's day, or week, or multi-Doctors' day. It schedules the day's appointments, cancellations and priority appointments. It contains Patient Demographics, Facility Details, Insurance Information, Referral Doctors and Recall Reminders. These schedules enable the Medical Practices: Complete medical claims processing, payment posting, patient's balance billing.

Quality process & Standards:

Process : A 3-Tier process ensures that each and every report generated by the company is meticulously performed by trained agent, proofread by experienced editors and finally checked by Quality assurance personnel for its correctness. We have daily feedback sessions and regular trainings at all levels of service offering.

Audit: Our Quality Audit department, audits at least 30 % of all work processed (before upload to client) to provide continuous feedback for sustained quality

Accuracy: We guarantee average 98%+ accuracy for Medical transcription and minimum accuracy deliverables of over 95% and above on both CPT and ICD components.

TAT's (Turn Around Time) ranging from 4 to 48 hours as desired by our client.
Capability: Total client ready files with Direct Upload Capability.

COMPETITIVE STRENGTH

Post takeover by the new management, the various restructuring plans has been able to position the company with following primary strengths:

(i) Our well-balanced portfolio of Services

Our good mix of niche high-margin and high-scale mainstream offerings provides profit boosters and volume business lines that ensure top - line growth on a consistent basis. Company has pre dominant penetration and market share in the high volume business in Systems Integration & Hardware for Corporate India. Our subsidiary- Precision Infomatic (M) Private limited has successful partnership in India with:

- Microsoft-Gold Certified Partner
- Hewlett-Packard
- Premier Enterprise Business Partner
- Authorized Service Delivery Partner
- IBM - Premier Business Partner and Authorized Support Partner
- Novell - Gold Certified Partner
- VMware

Recently won the Silver award from Hewlett-Packard, India for the Best Business partner in services sales in multi location category in the country.

(ii) Geography Spread

We operate globally with a wide array of specialized services with an ROI-centric value proposition. The geographic dimension is critical to how we execute our strategy and operate in a way that is both globally efficient and locally responsive to our clients and our people. We market & sell our services from over five countries that enable us to address various opportunities in key market segments such as Banking, Financial & Pension Funds Institutions, Hospitality, Real Estate, Telecom and Utilities.

The Company leverages the strong foothold in Malaysia & UAE for addressing the fast growing Islamic Banking Software Solutions segment. Our subsidiary , Info- Drive Systems Sdn. Bhd. has established a strong positioning as a successful Systems Integrator and the turnkey project executed in Malaysia in Islamic Banking Software Solutions continues to be the single largest implementation till date in that segment.

DU project
Our subsidiary, Info-Drive Software LLC has been offering outsourcing services to a large telecom service provider in UAE. We offer Network Operations Center Technicians that form an integral part of the Networks Operations Team directly responsible for assisting internal and external customers, trouble-shooting of new and existing incidents as well as network and customer facing problems.
The areas of outsourcing are focused on offering support services for their core technology and activation.

Level -1 support:
1. IP configuration
2. Internet TV
3. Mobile transmission
4. WIFI services

Level -2 support:
1. Network operation
2. Field services
3. Provisioning services
4. Activation services
5. Logistics & fleet services
6. Access services

Apart from the above, the company also performs task based services subject to certain SLA conditions for enterprise customers

(iii) Commitment to superior quality and process execution

The project management methodology, developed by us, helps ensure timely, consistent and accurate delivery of quality solutions to ensure client satisfaction. We constantly benchmark our services and processes against globally recognized quality standards Certifications received include ISO 270001, ISO 21000 and ISO 9001:2000. Precision Techserve Pvt. Ltd.(subsidiary) has been awarded as the “Best Solution Provider - Networking” for the South Zone at CRN Xcellence 09 Summit. (The core objective behind CRN's Xcellence Awards is to recognize companies and individuals who have excelled in their businesses by adopting best practices and applying sound business acumen, and thus create role models that inspire a whole new generation of business leaders).

(iv) Continue to enhance our solution set

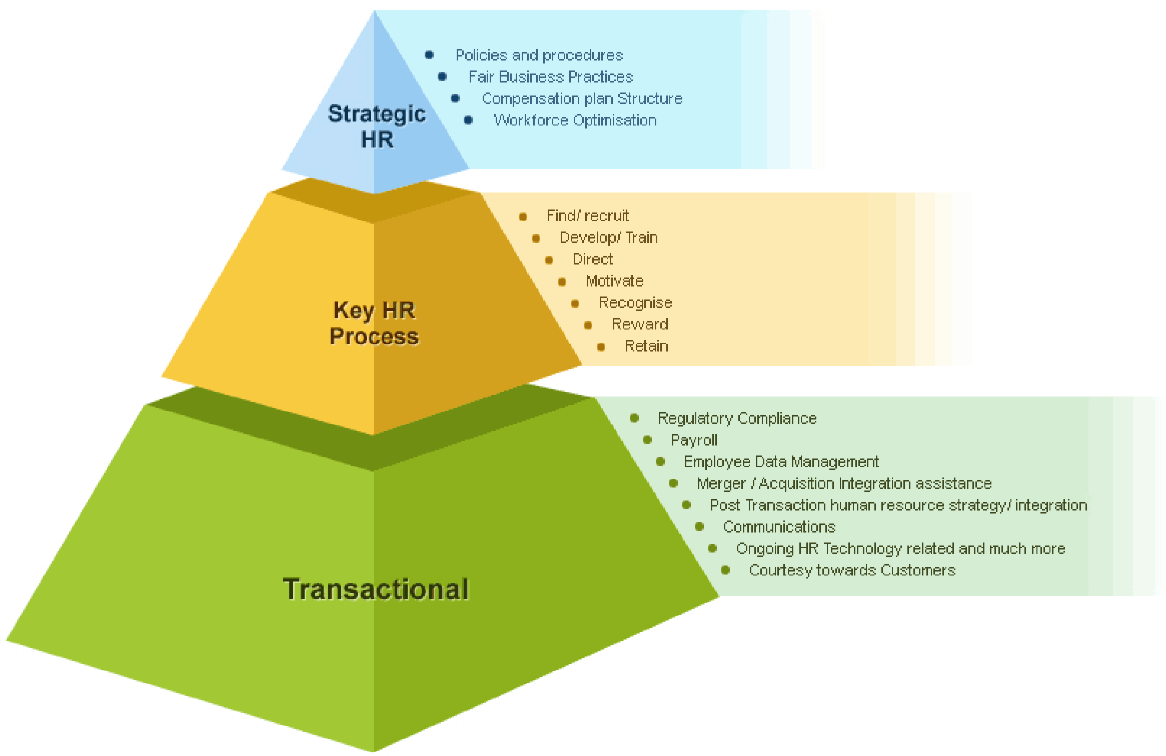
We seek to continually enhance our portfolio of solutions as a means of developing and growing our business. To differentiate our services, we focus on emerging trends, new technologies and pervasive business issues that confront our clients. We have added new service offerings such as Business and Technology consulting which have been significant contributors to our growth. We have established a truly unique 'e-Living' Practice that provides automation, digital life-style, community networking & unified integration of media, telecom and internet for homes & community.

(v) Growth platforms

Our growth platforms - systems integration & technology, business consulting and outsourcing - are the engines through which we develop our knowledge capital; build world class skills & capabilities; create, acquire and manage key assets to the development of solutions for our clients. The professionals within these areas work closely with our operating groups to deliver those integrated services and solutions to clients. We continue to invest in IP led tools - CampIT, InsTIL and has a strong suite of Biometric solutions for the IT, Banking & Auto segments that hold huge potential in Identity Management / Authentication devices.

(vi) Talent pool

Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by. Our Company is implementing comprehensive internal programs for HR transformation, workplace transformation, organization change management and global hiring & retention. Our constant goal and indeed our biggest strength is a healthy, happy and prosperous work environment for all our employees. Currently, we have over 1300 employees out of which over 1000 have graduated in Information Technology.



(vii) De-risked service portfolio

As global sourcing of IT services becomes mainstream, customers have started looking beyond the value-proposition of cost reduction, productivity enhancements, and quality improvements. The focus has shifted to strategic business impact or transformation in business performance. The company has been continuously pursuing growth opportunities in related industries where the strong capabilities acquired by your Company can be leveraged effectively. Your Company has expanded its portfolio of services to align itself with the evolving market expectation. Info-Drive's expanded services portfolio spans the entire value-chain of IT services, including IT Infrastructure Management & Outsourcing, Business Process Outsourcing (Benefit Administration domain) apart from Business Process Consulting.

(viii) Focus on emerging market opportunities

It is estimated that the emerging markets of Asia/Pacific, Latin America, the Middle East and Africa will spend approximately USD $1.1 trillion on IT related products and services. The Company has continued to invest in various businesses through the downturn and continues to invest in strengthening its marketing infrastructure across geographies.

(ix) Domestic Market Presence

The Indian domestic market is also growing and offers a unique untapped opportunity. Indian IT vendors are increasingly turning attention to domestic market as the Indian user industries are outsourcing parts or entire IT infrastructure to specialised vendors. Your Company through its subsidiary Precision Infomatic (M) Private Limited is well entrenched in the space of System Integration & Hardware for over a decade.

The Company has impressive list of premier blue-chip clientele and would be tapped to cross sell our other service offering. We also have long-standing relationships with various private sector companies and SMB enterprises.

(x) Successful Client Relationship

Our client centric approach is built on in-depth understanding of our customers' needs in order to provide high value, cutting edge technology solutions. The Company leverages its capability as an integrated solutions provider, with appropriate technology expertise and domain knowledge, to deepen its relationships with its clients. Recently, we built and manage relationships with few of the world's best known companies like Google, Sun and Intel.

DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

As per our Articles of Association, we shall not have fewer than three directors and not more than 12 directors. Currently, we have seven directors on the Board. Our Board of Directors may appoint any person as an additional director, but such additional director shall hold office only up to the date of the next Annual General Meeting unless appointed by our shareholders. Our articles of Association also allows for the appointment of an alternate Director for Director during his absence for a period of not less than 3 months from the date in which meetings of the Board are ordinarily held.
Pursuant to the Companies Act, not less than two-thirds of the total number of our directors shall be persons whose period of office is subject to retirement by rotation and one-third of such directors, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office at every Annual General Meeting. The directors to retire are those who have longest held their office since their last appointment. A retiring director is eligible for re-election.
Our directors are not required to hold any qualification shares.

The following table sets forth details regarding the Board of Directors as at the date of this Placement Document

Name, DIN, Designation Term and Address	Age	Designation	Other Directorship
K.Shivakumar DIN: 00700678 Term: September 27, 2011 Address: # 203/91 V.M. Street, Mylapore, Chennai – 600 004, India. Nationality: Indian	48	Joint Managing Director	NIL
A.T.Krishnakumar DIN: 00926304 Term: Liable to retire by Rotation Address: Old No.6 New No. 14, Visweswarapuram Street, Alwarpet, Chennai – 600 018, India. Nationality: Indian	52	Non- Executive and Independent Director	• Alucast Autoparts Pvt Ltd • Spintech Technologies India Pvt. Ltd. • Allsec Stocks Pvt. Ltd. • Westside Metro Foundries (PTY) Ltd. • Mag Wind Power Solutions Pvt. Ltd.
V.N.Seshagiri Rao DIN: 00338930	58	Non -Executive Promoter Director	• Precision Infomatic (Madras) Pvt Ltd • Bhari Information

Term: Liable to retire by Rotation Address: 53,Abhiramapuram Street, 3rd Street, Chennai – 600018, India Nationality: Indian			Technology Systems Pvt Ltd. • ABR Enterprises Pvt Ltd. • Gulf Outsourcing Services Pvt Ltd • Prasan Cuisines Pvt Ltd. • Wooksung Electronics Pvt Ltd • Apara Enterprise Solutions Pvt. Ltd
S.R.Narayanan DIN: 01225513 Term: Liable to retire by Rotation Address: # 301 East, 79th Street, New York, New York – 10021 Nationality: American	50	Non- Executive Independent Director	• Precision Infomatic (Madras) Pvt Ltd
Chandrasekaran Kalyanasundaran DIN: 00936289 Term: September 27, 2015 Address: 25,Vaidyaram Street, T.Nagar, Chennai – 600017, India Nationality: Indian	48	Managing Director & CEO	• Global Offshore Investments Ltd. • Gulf Outsourcing Services Pvt. Ltd • Info-Drive Software Inc. • Info-Drive Software Pte Ltd • Info-Drive Systems Sdn Bhd • Info-Drive Software Ltd • Technoprism LLC • Apara Enterprise Solutions Pvt. Ltd
Nerur Thiagarajan Shivkumar Demitted office as Whole Time Director but continues as Director w.e.f. 27.08.10. DIN: 01277481 Term: Retirement by rotation Address: # 43 Strawberry Patch Lane, Stamford, CT 06902, U.S.A. Nationality: American	43	Director	• Legend Systems Pvt Ltd • Info-Drive Software Inc • Info-Drive Software Pte Ltd • Info-Drive Systems Sdn Bhd • Info-Drive Software Ltd • Technoprism LLC • Sai Seva BPO, Puttaparthi
Mr.V. Gopal Rao **DIN: 01192343** **Term: Retirement by rotation** **Address: 54, Second Avenue, Indira Nagar, Adyar, Chennai – 600020.**	69	Director & Company Secretary	• Apara Enterprise Solutions Pvt. Ltd.

Nationality: Indian			
Mohan Ranganathan DIN: 00977726 Term: Co extensive with S.R.Narayanan Address: # 30 Rangan Street T. Nagar, Chennai – 600017, India Nationality: Indian	49	Alternate Director	• ANA Consultants Pvt Ltd • Precision Infomatic (Madras) Pvt Ltd • Peepal Tree Advisory Services Pvt.Ltd • Global Offshore Investments Limited
Sriraman Santanagopalan DIN: 00060717 Term: Liable to retire by Rotation Address: # 102/46,Rangachari Road, Mylapore, Chennai – 600004, India Nationality: Indian	50	Non- Executive Independent Director	• Bee-Hive Ventures Pvt Ltd. • ePuja Services [I] P Ltd • eG Innovations P Ltd • Finger Tip Technologies P Ltd • Vidisha Technologies P Ltd • Periyar TBI ISkills [India] P Ltd

Relationships between our Directors

None of our directors are related to one another

<u>Profile of our Directors:</u>

K.Chandrasekaran is a qualified Chartered and Cost Accountant from India and brings over two decades of experience in the corporate sector in India and abroad. He has handled large M&A deals in the IT services space, as well as with companies in other areas. He has significant expertise in managing large financial closures and has been part of a treasury size of over $1billion. He was instrumental in launching a BPO venture in the Middle East - a joint venture between a large conglomerate in the Middle East and a reputed Indian Corporate group from South India for business process outsourcing, and serves as a member of the Board of the venture. K.Chandrasekaran spearheads the corporate think tank, governance and vision and drives the business strategy for Info-Drive Software Limited.

N.T.Shivkumar is an alumnus of BITS Pilani (India) and has over two decades of experience in the Offshore IT Outsourcing & BPO Services sector. He is responsible for identifying Greenfield opportunities for fast-track growth and managing the global business operations of all practice lines and portfolio companies. Prior to his Info-Drive venture, he had an outstanding tenure as the head of global sales & marketing at Oakhill Capital's portfolio firm EXL Service (NASDAQ:EXLS)

V.N.Seshagiri Rao is a Chartered Accountant by qualification and has an overall experience of over 30 years in the field of Management. He has worked in senior management level in various organizations like Enfield group, Kothari mills and so on. He was the executive assistant to vice-chairman of the Emirates Trading Agency group, Dubai.

S.R.Narayanan worked with Dr. Heckman as a research analyst with Solomon Smith Barnery's global asset allocation group and Vice President with Lehman Brother's global equity and derivative strategies team from 1998 - 2002. He has also held U.S equity strategy positions at Solomon Brothers and Bear Steams. He started his career at Solomon Brothers, corporate bond research group covering money center banks.

A.T.Krishnakumar is an MBA Professional, highly experienced in the field of Consultancy, Corporate Finance and Planning. He was employed with ICICI at Sr.Management Level. He is a recipient of the award for outstanding contribution to Development Economics from Mr.Manmohan Singh and has won several prizes in the field of Banking.

K.Shivakumar is an MBA in IT from University of Kansas. He has got vast experience in Business Management and has been associated with the company since inception. His focus on Product Development has been one of the major achievements of the Company.

S.Sriraman is a qualified Banker with CAIIB from Indian Institute of Bankers. He is also an MBA from Madurai Kamaraj University, with specialization in Finance and Marketing. In addition, he holds a Masters qualification in Economics from University of Madras and a Doctor of Business Administration from University of South Australia, Adelaide, Australia. He has around 25 years of experience in Banking, Fund Management and in Corporate Sector. His stints include organizations like Canara Bank, Canbank Mutual Fund, Wipro Finance Ltd., IL & FS Venture Corporation Limited and SilkRoute Indchem Limited.

V.Gopal Rao is a Company Secretary since December 2006 and was appointed as an 'Additional Director' at the Board Meeting held on 27th August, 2010. He is a fellow member of The Institute of Company Secretaries of India and a Law Graduate from Madras University. He has rich and varied experience of 45 years in the Blue Chip Corporate World of Indian business and has served on the board of Essar Group and Tamilnadu Mercantile Bank. He was also associated with Kothari Group for a brief period. He has tremendous hands-on experience in Merger & Acquisition and Corporate Governance Compliance and is a reputed authority in this field.

R.Mohan is a Chartered Accountant by profession. With 25 years of experience in the field of management, his immense ability to understand the business environment quickly coupled with financial and accounting background is his core competence. He has vast experience of handling Audits, Company Law Matters, Corporate and Financial Restructuring, Valuations, Statutory Audit and Tax Audit of Corporate leaders especially in IT industry

Borrowing Powers of Our Board of Directors

Pursuant to a shareholders' resolution dated September 19, 2007, the Board has been authorized to borrow money upon such terms and conditions as the Board may think fit, provided that the aggregate amount of our borrowings shall not exceed, at any time, Rs. 500 Crores (Rupees Five Hundred Crores only).

Interest of Our Directors

All of our directors may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings as well as to the extent of other remuneration and reimbursement of expenses payable to them. Our executive directors also may be deemed interested to the extent of remuneration paid to them for services rendered as our officers or employees.

All of our directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. All directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

All of our directors may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by us with any company in which they hold directorships or any partnership firm in which they are partners. Except as otherwise stated in this Placement Document and our statutory registers, we have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Placement Document in which any of our directors are interested directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Our directors have not taken any loans from us.

Shareholding of Directors

The following table sets forth the shareholding of our directors as on 30th September 2010.

Name	Number of Equity Shares	Shareholding Percentage
V.N.Seshagiri Rao	25,876	0.09
K.Chandrasekaran**	15,06,354	5.15
K.Shivakumar	5,94,090	2.03
N.T.Shivkumar*	6,00,000	2.05%
A.T.Krishnakumar	0	0%
S.R. Narayanan	0	0%
S.Sriraman	0	0%
V.Gopal Rao	0	0%
R.Mohan (alternate Director to S.R.Narayanan)	0	0%
Total	**27,26,320**	**9.32%**

***Mr N.T.Shivkumar, Director has acquired 2,50,000 shares after 30 th June 2010, hence his revised holding is shown in the above table.**

**** Mr.** K.Chandrasekaran **has pledged 909100 shares as on 30 th Sept 2010.**

Executive Directors

Terms of Employment of our Executive Directors:

K.Shivakumar who was redesignated as the Joint Managing Director originally for a period of two years effective from 28th September 2007 to 27th September 2009. He was reappointed as Joint Managing Director for a further period of one year, with effect from 28th September 2009. At the Board Meeting held on 27th August, 2010 he has been re-appointed as Joint Managing Director for a further period of one year effective from 28th September, 2010 to 27th September, 2011.

The remuneration payable to K.Shivakumar is Rs.50,000/- per month on a "Cost to Company" basis as stipulated under Section 269 read with Schedule XIII of the Companies Act 1956. In addition to the above remuneration all out of pocket expenses incurred by. K.Shivakumar by way of travelling, conveyance, boarding and lodging incurred in the course of the company's business would be reimbursed.

K.Chandrasekaran was appointed as the Managing Director and Chief Executive Officer of the Company for a period of three years with effect from 28th September 2007. Under Section 269 read with Schedule XIII of the Companies Act 1956, the remuneration payable to K.Chandrasekaran is in accordance with Schedule XIII of the Companies Act 1956. In addition to the basic salary, K.Chandrasekaran is also entitled to perquisites in line with Schedule XIII of the Companies Act 1956. At the Board Meeting held on 27th August, 2010, he has been re-appointed as Managing Director and Chief Executive Officer for a further period of five years effective from 28th September, 2010 to 27th September, 2015.

N.T.Shivkumar who was appointed as Whole time Director and our Chief Operative Officer with effect from 28th September, 2007 for a period of three years under section 269 of the Companies Act 1956 has demitted office with effective 27th August, 2010. He will continue to be a Director and Chief Operating Officer of the Company.

Remuneration of our Executive Directors

No remuneration has been paid to any of the Executive Directors for the financial year 2009 – 2010.

Remuneration of our Non-Executive Director

The following table sets forth all compensation paid to our presently serving non-Executive Directors for the fiscal year ended March 31, 2010.

Name	Sitting Fees in 'Rs.'
V.N.Seshagiri Rao	7,500
A.T.Krishnakumar	7,500
Narayanan S R	5,000
S.Sriraman	2,500

Key Management Personnel

Name	Designation	Date of Joining
V.Gopal Rao	Director & Company Secretary	December 11, 2006
ANL.Madhavann	Chief Financial Officer	May 19, 2008
S.Ramachandran	Executive VP – Group HR	August 7, 2008
Komal Sriram	Senior VP – Head – Pension BPO practice	January 7, 2007
Smitha Iyer	Senior Manager – Corporate Affairs	November 20, 2006

CORPORATE GOVERNANCE

Our Company's philosophy on corporate governance envisages adherence to the highest levels of transparency, accountability and equity in all areas of its operations. Our Company lays emphasis on ensuring that all operations are spearheaded by integrity, transparency, and accountability with the objective of meeting its obligations towards continuous and sustainable enhancement of shareholder value.

The company's corporate governance framework is based on an effective and independent Board, and the various committees constituted by the Board. The functioning is also based on the separation of the Board's supervisory role from the executive management team. This ensure the adoption of the best corporate governance and disclosure practices. The company is in compliance with all the applicable corporate governance requirements, as laid down under SEBI regulations and incorporated in the Equity Listing Agreement of BSE.

Detailed hereunder is a comparative summary of the requirements laid down under Clause 49 of the Listing Agreement of BSE and the practices adopted by the Company in this regard.

I. Board of Directors:

The composition of the Board is in line with guidelines laid down in the equity listing agreement. The current strength of the Board is seven complying with Clause 49 of the equity listing agreement and chaired by a Non-Executive Director.

Remuneration of the Executive Directors have been fixed which is in line with Section 269, read with Schedule XIII. The independent directors are being paid a sitting fee of Rs.2,500/- per meeting of the Board or Committee thereof. The meetings of the Board are held at least once in three months (minimum of one meeting per quarter) as stipulated under the equity listing agreement. All the members of the Board adhere to the code of conduct laid down by the Company for the Board members.

II. Audit Committee:

An Audit committee has been constituted and functions under the purview of the Board. The members of the committee and it's role has been detailed under "Committees of the Board". The role and functions of the committee are as laid down under Clause 49 of the Listing Agreement.

III. Subsidiary Companies:

As on date the Company has six subsidiary companies, and with five step down subsidiaries. At least one independent director of the Board is on the Board of these subsidiaries, as required under Clause 49 of the listing agreement with the stock exchanges. The minutes of the Board meetings of these subsidiaries as also their financials are reviewed periodically both by the Audit Sub Committee, and also the Board.

IV. Disclosures:

All the related party transactions are reviewed by the Audit Sub Committee and all mandated disclosures are made.

V. CEO/CFO Certification:

As mandated under Clause 49, the necessary certification from the CEO/CFO pertaining to the financial statements are obtained as and when they are approved and adopted, and this certification is also reflected under "Report on Corporate Governance."

VI. VI: Report on Corporate Governance:

As stipulated in the Listing Agreement, the Annual Report of the Company contains a detailed and comprehensive Report on Corporate Governance, which mentions and elaborates a full compliance report on both mandatory and non mandatory items. In addition a quarterly compliance report on corporate governance is also submitted to the stock exchanges along with the financial results.

VII.Compliance:

Report by the Statutory Auditor on the compliance of the conditions of Corporate Governance is available in this document.

COMMITTEES OF THE BOARD AND EXECUTIVES:

The Company has constituted Board-level committees, each of which functions in accordance with the relevant provisions of the Companies Act and the Equity Listing Agreements. Below is a description of each committee, in relation to their members, and their functions.

Audit Committee

The constituted committee presently consists of

- A.T. Krishnakumar, [Chairman of the Committee]
- K.Chandrasekaran
- V.N. Seshagiri Rao
- S.Sriraman
- S R Narayanan
- R.Mohan

The terms of reference of the Committee are as provided in Clause 49 of the Equity Listing Agreements. The committee strength of five members comprise of three independent, directors i.e., A.T.Krishnakumar, S.R.Narayanan, &. S.Sriraman, and chairman of the committee is A.T.Krishnakumar.

The Audit Sub Committee, meets at least once every three months, and reviews the performance of the company. The responsibility of the Audit Committee includes

- Overseeing the financial reporting process and disclosure of financial information.
- Reviewing with management, quarterly and annual financial statements and ensuring their accuracy and correctness before submission to the Board of Directors.
- Reviewing with management and internal auditors the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their functions and discussing and reviewing periodic audit reports, including findings of internal investigations.
- Recommending the appointment of the internal and statutory auditors and fixing their remuneration
- Holding discussions with the statutory auditors.

During the financial year ended 31st March 2010, five meetings of the Audit Sub Committee was held.

Shareholders' Grievance Committee

The members of the Committee are:

- K.Shivakumar
- V.N.Seshagiri Rao
- V.Gopal Rao
- R.Mohan

This Committee generally reviews the number of investor queries received, redressed, and pending redressal, as also the time taken to redress these queries. The review is based on inputs provided by the company's Registrar & Transfer (R & T) Agents. The meeting of this committee is held when required. Other Investor related queries/complaints addressed to the company, the R&T Agents, BSE & SEBI, etc, have been suitably redressed well in time, and there are no cases pending redressal.
The Shareholders Grievance Committee oversees all relevant matters pertaining to shareholders/investor related issues.
During the financial year ended 31^{st} March 2010, one meeting of this Committee was held.

Remuneration Committee

The members of the Committee are:

- A.T. Krishnakumar
- K.Chandrasekaran
- S.R.Narayanan

This Committee is entrusted with the task of the recommendation of appointment and fixation of remuneration to the Executive Directors, as per the provisions of the Companies Act 1956. The members meet as and when there is a need for appointment & fixation of remuneration to any Executive Director.

During the financial year ended 31^{st} March 2010, the Remuneration Committee held two meetings.

Investment Committee

As required under Section 292 of the Companies Act 1956, an Investment Committee has been constituted by the Directors at their meeting held on 24^{th} July 2007, to assist the Board in reviewing investment opportunities in Subsidiaries and other companies within the limits prescribed under Section 372 [A] of the Companies Act 1956.

Pursuant to the powers delegated and limits fixed by the Board, this committee takes decisions on making investments and granting loans in conformity with the provisions of FEMA & the Companies Act.
This committee consisted of the following members:

- A.T. Krishnakumar
- V.N.Seshagiri Rao
- K.Chandrasekaran
- K.Shivakumar

This committee meets whenever decisions regarding Investments and loans to the various subsidiaries are to be considered.

During the financial year ended 31^{st} March 2010, five meetings of this Committee was held.

Share Allotment Sub-Committee
The members of the Committee are:

- K.Shivakumar
- V.N.Seshagiri Rao
- V. Gopal Rao

This Committee meets whenever there is a requirement of allotment of shares to be made and the basis of allotment is finalized by the members of this committee in consultation with the stock exchanges.

During the financial year ended 31st March 2010 no meetings of this Committee was held.

Committee of Directors

- K.Shivakumar
- V.N.Seshagiri Rao
- K.Chandrasekaran

The Committee of Directors has been constituted by the Board under Section 292 of the Companies Act. 1956. The committee functions based on the powers delegated by the Board, for overseeing and taking decisions on borrowings, from financial institutions/ other corporate/entities, etc. The limits fixed are in line with the approval obtained by the company from the members under section 293 [1] [d] of the Companies Act, at the Annual General Meeting held on 19th September 2007 wherein the upper limit is up to and including Rs500 Crores. The borrowing limits of the committee of directors are fixed by the Board.

Meetings of this committee are held whenever decisions regarding borrowings/availing of loans or any facilities from corporate/banks/financial institutions are needed.

During the financial year ended 31st March 2010 three meetings of this Committee was held.

Share Transfer Committee

This committee was constituted by the Board at their meeting held on 27th June 2007. The members of this committee as follows:

- K.Shivakumar
- V.N.Seshagiri Rao
- K.Chandrasekaran
- V.Gopal Rao

The Registrar & Transfer Agent [RTA] of the Company who maintain the members database process the transfer/transmission/requests, on a fortnightly basis. A report containing the following information is submitted by the RTA to the company on a fortnightly basis.

[a] Cases of Transfers effected.
[b] Cases of Transmissions effected.
[c] Cases rejected & the reasons for rejection.
[d] Cases of duplicate share certificates issued.
[d] Details regarding requests received for dematerialization of shares.

This committee peruses this report, and takes note of the information contained therein. Any specific case of transfer referred to by the RTA is examined by the committee and an appropriate decision communicated to the RTA for due processing.

Allotment & Issue of Share Certificate Committee.

This committee was constituted by the Board at their meeting held on 27th June 2007. This committee presently consist of the following members.

- K.Shivakumar
- V.N.Seshagiri Rao
- V.Gopal Rao

This committee also peruses the reports issued by the R&T Agent regarding information pertaining to transfers and requests for issuance of duplicate share certificates in lieu of the original. This committee takes suitable decisions for issuance of duplicate share certificates based on specific requests from the shareholders, after ensuring that all the necessary formalities have been completed by both the RTA & the company. Whenever a new issue is made by the company, and share certificates in physical mode are to be issued, this committee takes suitable decisions pertaining to the same.

Registrar & Transfer Agent:

Our Registrar and Share Transfer Agent are **M/s. Cameo Corporate Services Limited**, Subramanian Building, No:1,Club House Road, Chennai – 600002, India.

Secretarial Auditor:

Our Secretarial Auditors are **BMDV & CO.,** Company Secretaries, Old No:7, New No: 13, South Boag Road, T.Nagar, Chennai – 600017. India

KEY PERSONNEL

ANL Madhavann - *BSc., FCA,FCS, PGDBA, BGL*- Chief Financial Officer

ANL Madhavann has over 23 years of experience in Projects Finance, Strategic Funding, Operational & Business Management besides corporate financial deals. Mr. Madhavann started his career with Kothari and worked with Glaxo, Godrej, Apollo Hospitals Group. He has handled two public issues for AHG in SriLanka under the auspices of International Finance Corporation (IFC), Washington. Dealt with FIIs including Schroders Capital, Parkway Group, Temasek, Goldman Sachs etc., and has been extensively involved in strategic funding for FMCG & Healthcare sectors. He has two years of Independent Management Consulting practices for select business houses and corporate groups.

S.Ramachandran - Executive VP – Group HR

S. Ramachandran holds a Bachelors degree in Chemistry from Madras University and a Post Graduate Diploma in Personnel Management and Industrial Relations from the XLRI, India. He has over 22 years of work experience in Human Resources Management for organizations in manufacturing, management consulting, marketing and services, software development, and telecom across the Middle-East, ASEAN, and India. His achievements include redesigning factory systems deploying Japanese Management techniques; establishing several software delivery centers in domains such as automotive engineering, wafer inspection, banking, and avionics where the organizations grew tenfold in headcount; transitioning the organization from manual systems to automation in HR [SAP], co-creating business development initiatives, helping businesses win multi-million dollar bids in client-server and ASIC technologies. Ram has pioneered productivity norms-based manpower analytics and career planning methods, actively contributing towards Op-Ex reduction and customer delight initiatives. In his career spanning over two decades, he has worked with leading organizations such as the TVS Group, KPMG, UB Group, HCL Technologies and Airtel.

Komal Sriram - Senior VP – Head – Pension BPO Practice

Komal Sriram is a graduate from the IIT (Indian Institute of Technology) and has subsequently passed actuarial exams of The American Society of Pension Professionals & Actuaries (ASPPA) and is a Qualified Pension Administrator (QPA). He is also registered as an investment advisor in the State of Maryland and is a designated Enrolled Agent with the Internal Revenue Service (IRS). He has developed and administered benefits with various financial institutions including Metropolitan, Prudential, Merrill Lynch, Morgan Stanley Dean Witter and others. He was functioning as a third party administrator in the USA and has pioneered the concept of outsourcing in pension administration industry. Komal Sriram spearheads the Benefit Administration practice delivery and KPO initiatives of Info-Drive.

Smitha Iyer - Senior Manager – Corporate Affairs

Smitha Iyer holds Masters Degree in Business Economics**.** She manages the Corporate Services function is responsible for handling all internal and external communication processes including investor relations support. She coordinates the content creation and rollout of employee newsletters, annual business reports, press releases, notes to regulatory bodies, compliance agencies across our global operations. Additionally, She with her team provide business development support to the global sales teams by way of developing marketing collaterals, Knowledge Management System, proposal responses, customer outreach programs, website updates, maintenance and corporate brochures on an ongoing basis.

Policy on disclosures and internal procedure for prevention of insider trading

All Directors, officers and employees of the Company are required to comply with the Insider Trading Regulations and also adhere to the model code of conduct for Prevention of Insider Trading for listed companies as prescribed under the Insider Trading Regulations. Pursuant to the model code of conduct, employees/Directors of the Company shall maintain the confidentiality of all price sensitive information about the Company, which is not in the public domain and constitutes insider information, and shall not pass on such information to any person, directly or indirectly, by way of making a recommendation for the purchase or sale of securities.

ORGANISATION STRUCTURE AND PRINCIPAL SHAREHOLDERS

Shareholding Pattern:

The following table sets forth our shareholding pattern as at 30th September 2010

(1) (a) Statement showing Shareholding Pattern

Cate-gory Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	8	4325556	432556	14.7938	14.7938	909100	21.0169
(b)	Central Government/ State Government(s)	0	0	0	0.0000	0.0000	0	0.0000
(c)	Bodies Corporate	2	1091900	1091900	3.7344	3.7344	0	0.0000
(d)	Financial Institutions/ Banks	0	0	0	0.0000	0.0000	0	0.0000
(e)	Any other (specify)	0	0	0	0.0000	0.0000	0	0.0000
	Sub-Total (A)(1)	**10**	**5417456**	**5417456**	**18.5282**	**18.5282**	**909100**	**16.7809**
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.0000	0.0000	0	0.0000
(b)	Bodies Corporate	0	0	0	0.0000	0.0000	0	0.0000
(c)	Institutions	0	0	0	0.0000	0.0000	0	0.0000
(d)	Any other (specify)	0	0	0	0.0000	0.0000	0	0.0000
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.0000**	**0.0000**	**0**	**0.0000**

	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**10**	**5417456**	**5417456**	**18.5282**	**18.5282**	**909100**	**16.7809**
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/ UTI	1	800	0	0.0027	0.0027	NA	NA
(b)	Financial Institutions/ Banks	1	7600		0.0259	0.0259	NA	NA
(c)	Central Government/ State Government(s)	0	0	0	0.0000	0.0000	NA	NA
(d)	Venture Capital Funds	0	0	0	0.0000	0.0000	NA	NA
(e)	Insurance Companies	0	0	0	0.0000	0.0000	NA	NA
(f)	Foreign Institutional Investors	1	91689	91689	0.3135	0.3135	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000	NA	NA
(h)	Any other (specify)	0	0	0	0.0000	0.0000	NA	NA
	Sub-Total (B)(1)	**3**	**100089**	**91689**	**0.3423**	**0.3423**	NA	NA
(2)	**Non-institutions**						NA	NA
(a)	Bodies Corporate	209	5035020	5030120	17.2202	17.2202	NA	NA
(b)	Individuals -						NA	NA
i.	Individual shareholders holding nominal share capital upto Rs.1 Lakh	6290	2891649	2115389	9.8897	9.8897	NA	NA
ii.	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	134	10799780	10759280	36.9363	36.9363	NA	NA
(c)	**Any other (specify)**						NA	NA
	Clearing Members	23	22606	22606	0.0773	0.0773	NA	NA
	Hindu Undivided Families	64	963301	963301	3.2932	3.2932	NA	NA
	Non Resident Indians	106	2708989	2614989	9.2650	9.2650	NA	NA
	Foreign Corporate Bodies	1	1300000	1300000	4.4461	4.4461	NA	NA
	Sub-Total (B)(2)	**6827**	**23721345**	**22805685**	**81.1294**	**81.1294**	NA	NA

	Total Public shareholding (B)=(B)(1)+(B)(2)	**6830**	**23821434**	**22897374**	**81.4717**	**81.4717**	**NA**	**NA**
	TOTAL (A)+(B)	**6840**	**29238890**	**28314830**	**100**	**100**	**909100**	**3.1092**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0	0.0000	0.0000	NA	NA
	GRAND TOTAL (A)+(B)+(C)	**6840**	**29238890**	**28314830**	**100**	**100**	**909100**	**3.1092**

(I)(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)
1	Mr. Arif Buhary Rahman	1425932	4.8768	0	0.0000	0.0000
2	Mr. Arif Buhary Rahman	147804	0.5055	0	0.0000	0.0000
3	Mr. V.N. Seshagiri Rao	25476	0.0871	0	0.0000	0.0000
4	Mr. V.N. Seshagiri Rao	400	0.0014	0	0.0000	0.0000
5	Mr. Shivakumar K	594090	2.0318	0	0.0000	0.0000
6	Mr. K. Chandrasekaran	1506354	5.1518	909100	65.3510	3.1092
7	Mr. Nerur T. Shiv Kumar	600000	2.0520	0	0.0000	0.0000
80	M/s. EH Building Consultancy Pvt.Ltd.	641700	2.1946	0	0.0000	0.0000
9	Mr.VidyaSagar S.K	25500	0.0872	0	0.0000	0.0000
TOTAL		**5417456**	**18.5282**	**909100**	**60.3510**	**3.1092**

(I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

	Name of the shareholder	Number of Shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	R.P. Paramesh Kumar	321000	1.0978
2	Shreenivas Reddy P	369481	1.2636
3	S.S. Sudanthiram	1119900	3.8301
4	Ugandhar Muppala	500000	1.7100
5	Seyed Mashook	950000	3.2490
6	Nagendra Kumar Nakka	950000	3.2490
7	Ramamirtham Investments Pvt. Ltd.,	1208000	4.1314
8	Lumen Capital Fund Pvt. Ltd	1300000	4.4461
9	Savita Chandak	636581	2.1771
10	S. Punithavathi	341317	1.1673
11	Bhagwandas Chandak	640000	2.1888
12	G. Ravichandran	313014	1.0705
13	G. Muralidharan	313014	1.0705
14	K.A. Gopala Krishnan	313014	1.0705
15	K.P. Vijayalakshmi	313014	1.0705
16	M. Pushpanathan	313014	1.0705
17	Aryan Share & Stock Brokers Ltd.	356378	1.2188
18	Kadirkamam Estates Private Limited	911800	3.1184
19	Lahoti Computers Pvt. Ltd.,	1100000	3.7621
TOTAL		**12269527**	**41.9630**

ISSUE PROCEDURE

Below is a summary of the procedure relating to the application, payment, Allocation and Allotment for a QIP. The procedure followed in the Issue may differ from the one mentioned below, and prospective investors are assumed to have apprised themselves of the same from us or the Book Running Lead Manager. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Distribution and Solicitation Restrictions" and "Transfer Restrictions".

Qualified Institutions Placements

The Issue is being made to QIBs in reliance upon chapter VIII of the SEBI Regulations through the mechanism of a QIP. Under chapter VIII of the SEBI Regulations, an issuer which is a listed company in India may issue equity shares, non convertible debt instruments along with warrants or convertible securities other than warrants, provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders;
- the equity shares of the same class of such issuer have been listed on a recognised stock exchange in India that has nationwide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution; and
- such issuer complies with the minimum public shareholding requirements set out in the listing agreement with the stock exchange referred to above.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The issue price of the securities shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date.

The "relevant date" refers to the date of the meeting on which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognized stock exchanges in which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Securities must be allotted within twelve months from the date of the shareholders resolution approving the QIP. The securities issued pursuant to the QIP must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations. The placement document is a private document provided to less than 49 investors through serially numbered copies and is required to be placed on the website of the concerned stock exchange and of the issuer with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors. A copy of the placement document is required to be filed with the SEBI for record purposes within 30 days of the allotment of the securities.

The aggregate of the proposed QIP and all previous QIPs made in the same financial year shall not exceed five times the net worth of the issuer as per its audited balance sheet of the previous financial year. The issuer shall furnish a copy of the placement document to each stock exchange on which its equity shares are listed.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognised stock exchange in India.

We have applied for the in-principle approval of the Stock Exchanges under Clause 24(a) of the Equity Listing Agreements for the listing of the Equity Shares on the Stock Exchanges

Issue Procedure

We and the Book Running Lead Manager shall circulate serially numbered copies of the Placement Document and the Application Form, either in electronic or physical form, to not more than 49 QIBs.

The list of QIBs to whom the Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with us. **Unless a serially numbered Preliminary Placement Document along with the Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person.

QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the Book Running Lead Manager.

Each QIB will be required to indicate the following in the Application Form:

- name of the QIB to whom Equity Shares are to be Allotted;
- number of Equity Shares Bid for;
- price at which the QIB is agreeable to subscribe for the Equity Shares, provided that the QIB may also indicate that it is agreeable to submit an Application Form at a "Cut-off Price"; and
- the details of the dematerialised account(s) to which the Equity Shares should be credited.

Note: Each sub-account of an FII will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Application Form(s).

Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid Closing Date. The Bid Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

Upon receipt of the Application Form, we shall determine the Issue Price and the number of Equity Shares to be issued in consultation with the Book Running Lead Manager. Upon determination of the Issue Price and the QIBs to whom Allocation shall be made, the Book Running Lead Manager will send the Confirmation and Allocation Note (CAN) to the QIBs who have been Allocated the Equity Shares. The dispatch of the CAN shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB.

Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our designated bank account by the Pay-In Date as specified in the CAN sent to the respective QIBs.

Upon receipt of the application monies from the QIBs, we shall Allot Equity Shares as per the details in the CAN to the QIBs. We shall not allot Equity Shares to more than 49 QIBs. We will intimate to the Stock Exchanges the details of the Allotment.

After receipt of the listing approval from the Stock Exchanges, we shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs. We shall then apply for the listing and trading permissions from the Stock Exchanges.

The Equity Shares that have been credited to the Depository Participant accounts of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, we shall inform the QIBs who have received an Allotment of the receipt of such approval. We and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or us.

Qualified Institutional Buyers

Only QIBs as defined in regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86 of the SEBI Regulations are eligible to invest. Currently a QIB means:

- a mutual fund, venture capital fund and foreign venture capital investor registered with SEBI;
- a foreign institutional investor and sub-account registered with the SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- a public financial institution as defined in section 4A of the Companies Act;
- a scheduled commercial bank;
- a multilateral and bilateral development financial institution;
- a state industrial development corporation;
- an insurance company registered with the Insurance Regulatory and Development Authority;
- a provident fund with minimum corpus of Rs. 250 million;
- a pension funds with minimum corpus of Rs. 250 million;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.
- Insurance funds set up and managed by army, navy or air force of the Union of India.

FIIs are permitted to participate in the QIP through the portfolio investment scheme in this Issue. FIIs are permitted to participate in the QIP subject to compliance with all applicable laws and the shareholding of the FIIs does not exceed specified limits as prescribed under applicable laws in this regard.

In this regard our company will be obtaining approval from the shareholders for increasing investment limit of FIIs beyond 24 % and up to the applicable Sectoral Cap (which is 100%) of the new issued and paid up capital, by means of special resolution.

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue, issued capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital, or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a Promoter or any person related to a Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to a Promoter:

- rights under a shareholders agreement or voting agreement entered into with a Promoter or persons related to a Promoter;
- veto rights; or
- a right to appoint any nominee director on our Board;

provided, however, a QIB which does not hold any of our Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to a Promoter.

We and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code.

A minimum of 10% of the Equity Shares in this Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are QIBs may participate in this Issue in compliance with applicable laws.

Application Process

Application Form

QIBs shall only use the serially numbered Application Forms supplied by the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid).

By making a Bid (including any revision thereof), the QIB will be deemed to have made the representations and warranties and agreements made under “Representations by Investors” and “Transfer Restrictions”.

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME

AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

Details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of the Allotment (as indicated by the CAN) and becomes a binding contract on the QIB upon our issuance of the CAN in favour of the QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following address:

Name:	Keynote Corporate Services Limited
Address:	4th Floor, Balmer Lawrie Building J. N. Heredia Marg Ballard Estate Mumbai – 400 001
Contact Person:	Mr. Janardhan Wagle
Email:	mbd@keynoteindia.net
Telephone:	+91 22 3026 6000-3
Fax:	+91 22 2269 4323

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the same.

Pricing and Allocation

Book Building

The QIBs shall submit their Bids (including any revision thereof) within the Bidding Period to the Book Running Lead Manager.

Price Discovery

In consultation with the Book Running Lead Manager, we shall determine the Issue Price for the Equity Shares, which shall be at or above the Floor Price.

Method of Allocation

We shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with chapter VIII of the SEBI Regulations.

Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

OUR DECISION IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT OUR SOLE AND ABSOLUTE DISCRETION, AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER WE NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to Book Running Lead Manager as per the details provided in the respective CAN.

Number of Allottees

The minimum number of Allottees in the Issue shall not be less than:

- two, where the issue size is less than or equal to Rs. 2,500 million; or
- five, where the issue size is greater than Rs. 2,500 million.

Provided that no single Allottee shall be Allotted more than 50% of the aggregate amount of the Issue Size.

Provided further that QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of this clause. For details of what constitutes “same group” or “common control” see “—Application Process—Application Form”.

The maximum number of Allottees of Equity Shares shall not be greater than 49 Allottees. Further the Equity Shares will be Allotted within 12 months from the date of the shareholders resolution approving the Issue.

CAN

Based on the Application Forms received, we in consultation with the Book Running Lead Manager, in our sole and absolute discretion, decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the amounts payable for Allotment of such Equity Shares by the Pay-in Date in their respective names shall be notified to such QIBs. Additionally, the CAN will include details of the bank account(s) for transfer of funds if done electronically, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective QIB’s account.

The eligible QIBs would also be sent a serially numbered Preliminary Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN by the QIB shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Manager and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

Company Account for Payment of Application Money

We have opened the Escrow Bank Account with IndusInd Bank Limited as escrow bank in terms of the arrangement between us, the Book Running Lead Manager and IndusInd Bank Limited. The eligible QIBs will be required to deposit the entire amount payable for the Equity Shares allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the Escrow Bank Account within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, we and the Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion, subject to the compliance with the requirement of ensuring that the Application Forms are sent to not more than 49 QIBs.

Payment Instructions

The payment of application money shall be made by the QIBs in the name of “**Info-Drive Software Limited Escrow Account**” as per the payment instructions provided in the CAN.

QIBs should make payment only through electronic fund transfer.

Note: Payment of the amounts through cheques will be rejected.

Allotment of Equity Shares

The Equity Shares will not be Allotted unless the QIBs pay the entire Issue Price to the Escrow Bank Account as stated above.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to rematerialise the Equity Shares as per the provisions of the Companies Act and the Depositories Act.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs Depository Participant account, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

The Escrow Bank shall not release the monies lying to the credit of the Escrow Bank Account to us until such time as we deliver to the Escrow Bank documentation regarding the final approval of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue.

After finalization of the Issue Price, we shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those allottees in Issue who have been allotted more than 5% of the securities offered, viz. names of the allottees and number of securities allotted to each of them, pre and post Issue shareholding pattern of the Company in the format specified in clause 35 of the Listing Agreement along with the Placement Document.

We shall also submit the Placement Document to SEBI within 30 days of the date of Allotment for record purposes.

Other Instructions

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Application Form.** Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN, as the Application Form is liable to be rejected on this ground.

Right to Reject Applications

We, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reasons whatsoever. Our and the Book Running Lead Manager' decision in relation to the rejection of Bids shall be final and binding.

Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but shall be fungible and be represented by the statement issued through electronic mode).

A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account with the Depository Participant of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with CDSL and NSDL.

The trading of the Equity Shares would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

We will not be responsible or liable for the delay in the credit of Equity Shares due to errors in the Application Form or otherwise on part of the QIBs.

PLACEMENT

PLACEMENT AGREEMENT

The Book Running Lead Manager have entered into a Placement Agreement with us (the "**Placement Agreement**"), pursuant to which the Book Running Lead Manager have agreed to place, on a best efforts basis, up to such number of the Equity Shares, the aggregate subscription amount of which shall be up to Rs. 396.28 million, to Qualified Institutional Buyers, pursuant to chapter VIII of the SEBI Regulations.

The Placement Agreement contains customary representations and warranties, as well as indemnities from us and is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

In connection with the Issue, the Book Running Lead Manager (or its affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. See "Offshore Derivative Instruments".

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document are advised to take legal advice with regard to any restrictions which may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorised or permitted.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Equity Shares are being offered and sold in the Placement outside the United States pursuant to Regulation S. The Equity Shares are not being offered or sold in the United States and you may not purchase Equity Shares if you are in the United States.

Hong Kong

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong, by means of any document, other than to "professional investors" as defined in the Securities and Futures Ordinance, Chapter. 571 of the laws of Hong Kong ("Securities and Futures Ordinance") and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance, Chapter. 32 of the laws of Hong Kong ("Companies Ordinance") or which do not constitute an offer to the public within the meaning of the Companies Ordinance . No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance. This Placement Document and the Equity Shares have not been and will not be registered with the Securities and Futures Commission of Hong Kong and/or the Stock Exchange of Hong Kong. There are no public markets or platforms in Hong Kong for the purchase or disposal of the Equity Shares. If you are in doubt as to the contents of this Placement Document, you must immediately seek legal and investment advice from your solicitor, accountant and/or professional advisors.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the Securities and Future Act (Chapter 289) of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Unless otherwise permitted under the SFA, where the Equity Shares are acquired by a person pursuant to Section 274 or 275 of the SFA, such Equity Shares shall not be transferable for six months after that person has acquired the Equity Shares, except (i) to another person who is an institutional investor or a relevant person, or (ii) pursuant to Section 275(1A) of the SFA.

Unless otherwise permitted under the SFA, where the Equity Shares are subscribed or purchased pursuant to Section 275 of the SFA by a relevant person which is:

- a corporation which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except: (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on the terms that such Equity Shares, debentures and units of Equity Shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, in accordance with the conditions, specified in Section 275 of the SFA as applicable; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

United Arab Emirates

This Placement Document does not, and shall not, constitute an invitation, offer, sale or delivery of Equity Shares or other securities under the laws of the United Arab Emirates (the "UAE") (including the laws of the Dubai International Financial Centre (the "DIFC")) and accordingly shall not be construed as such. Neither the Placement, Equity Shares nor interests therein offered are regulated under the laws of the UAE (including the laws of the DIFC) relating to securities, investments or otherwise. Neither the Placement nor this Placement Document is approved or licensed by, or registered with, the UAE Central Bank, the Dubai Financial Services Authority ("DFSA"), or any other relevant licensing or regulatory authorities or governmental agencies in the UAE (including in the DIFC). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE or DIFC exchange.

The Placement, the Equity Shares and interests therein do not constitute a public offer of securities or an advertisement or solicitation to the general public in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise, or an offer of securities in the DIFC in accordance with the Markets Law, DIFC Law No. 12 of 2004. This Placement Document is strictly private and confidential and is being distributed to a limited number of selected institutional and/or sophisticated investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to retail investors or the public in the UAE (including in the DIFC) and no sale of securities or other investment products is intended to be consummated within the UAE or the DIFC. None of the Book Running Lead Manager are a licensed broker, dealer, financial advisor or investment advisor under the laws applicable in UAE and the DIFC, and none of the Book Running Lead Manager advise individuals resident in the UAE or the DIFC as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the UAE or the DIFC. This Placement Document is confidential and for your information only and nothing in this Placement Document is intended to endorse or recommend a particular course of action. Prospective investors should conduct their own due diligence on the Issue and the Equity Shares. You should consult an appropriate professional for specific advice rendered on the basis of your situation.

TRANSFER RESTRICTIONS

Purchasers are not permitted to sell the Equity Shares for a period of one year from the date of allotment except through the Stock Exchanges. Subject to the foregoing:

Each purchaser of the Equity Shares in the Placement will be deemed to have represented and agreed as follows:

- It is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S).

- It agrees that it will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the States of the United States and any other jurisdiction, including India.

- It acknowledges that we, the Book Running Lead Manager and our affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify us. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the SEBI, the BSE and the NSE, and has not been prepared or independently verified by the Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Stock Exchange Regulations

Indian Stock Exchanges are regulated primarily by SEBI, as well as by the Government of India acting through the Ministry of Finance, Stock Exchange Division, under the Securities Contracts (Regulation) Act, 1956, as amended (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"). The SCRA and the SCRR along with the rules, bye-laws and regulations of the respective stock exchanges regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into, settled and enforced between members.

The SEBI Act under which the SEBI was established by the Government in February 1992, granted powers to SEBI to promote, develop and negate the Indian Securities markets, including stock exchanges and other intermediaries, promote and monitor self-regulatory organizations, prohibit fraudulent and unfair trade practices and insider trading and regulate substantial acquisitions of shares and takeovers of companies. SEBI has also issued guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeovers of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants.

The Companies Act as amended has empowered the SEBI to administer certain provisions of the Companies Act, in so far as they relate to issue and transfer of Securities and non-payment of dividends by listed public companies as well as companies intending to list their securities on any recognised stock exchange in India and to conduct inspection of the companies records in respect of matters relating to issue and transfer of securities. The power to prosecute defaulting companies with respect to the same has also been vested with SEBI.

SEBI has also set up a committee for the review of Indian securities laws, which has proposed a draft Securities Bill. The draft Securities Bill, if enacted in its present form may result in a substantial revision in the laws relating to securities transactions in India. The Companies Bill has been introduced in the Lok Sabha on August 3, 2009.

Listing

The listing of securities on a recognised Indian stock exchange is regulated by the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines issued by SEBI and the listing agreements of the respective stock exchanges. Under the SCRR, the governing body of each stock exchange is empowered to suspend trading of or dealing in a listed security for breach of an issuer's obligations under such listing agreement or for any other reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon ranting of a hearing in the matter. In the event that a suspension of a company's securities continues for a period in excess of three months, the company may appeal to the Securities Appellate Tribunal ("SAT") established under the SEBI Act to set aside the suspension. SEBI has the power to vary or set aside the decision of stock exchange decisions in this regard. SEBI also has the power to amend such listing agreements and the bye-laws of the stock exchanges in India.

Clause 49 of the Listing Agreement provides that if non-executive chairman of a listed company is a promoter or is related to promoters of the company or persons occupying management positions at the board level or at one level below the board, at least one-half of the board of the company should consist of independent directors.

The Listing Agreement requires that all listed companies are required to ensure a minimum level of public shareholding at 25 per cent. of the total number of issued shares of a class or kind for every such class or kind of its shares that are listed for the purpose of continuous listing.

The exceptions to this rule are for companies which (i) are offering or have offered shares to the extent of at least 10 per cent. of the issue size in terms of Rule 19(2)(b) of the SCRR; (ii) have 20 million or more outstanding shares; (iii) have a market capitalization of Rs. 10,000 million or more and the minimum public shareholding to be maintained by such companies is 10 per cent. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement and may result in a penal action being taken against the listed company pursuant to the SEBI Act.

The Company is subject to continuing disclosure requirements of publishing unaudited financial statements on a quarterly basis and immediately inform the Indian Stock Exchanges of any published price sensitive information.

Any non-compliance with the terms and conditions of Listing Agreement of the Stock Exchanges may entitle delisting of the company from the Indian Stock Exchanges, which will effect future trading of shares of the Company.

Delisting of securities

SEBI has, pursuant to a notification dated June 10, 2009 notified the SEBI (Delisting of Equity Shares) Regulations, 2009 ("Delisting **Regulations**").

The Delisting Regulations are applicable to: (i) voluntary delisting of securities by promoters of a company; (ii) any acquisition of shares of a company (either by a promoter or by any other person) or a scheme or arrangement, consequent to which the public shareholding in such company falls below the minimum limits specified in the listing conditions or listing agreement that may result in delisting of securities; (iii) promoters of companies who voluntarily seek to delist their securities from some or all stock exchanges on which the security is listed; (iv) cases where a person in control of the management is seeking to consolidate his holdings in a company in a manner that would result in the public shareholding in the company falling below the limit specified in the listing conditions or in the listing agreement that may have the effect of company being delisted; and (v) companies which may be compulsorily delisted by the stock exchanges on account of, among other things, violation of stock exchange byelaws. Following a compulsory delisting, a company, its whole time directors, its promoters and the firms promoted by any of them cannot directly or indirectly access the securities market or seek listing of any shares for a period of 10 years from the date of such delisting.

No company can apply for permission to delist: (i) pursuant to a buy-back of shares or preferential allotment made by a company or (ii) unless a period of three years has elapsed since the listing of that class of shares on any recognised stock exchange. Furthermore, if any instruments issued by the company which are convertible into the same class of shares that are sought to be delisted, are outstanding, delisting is disallowed.

A company may delist its shares from one or more recognised stock exchanges where they are listed and continue their listing on one or more other recognised stock exchanges, subject to the provisions of the Delisting Regulations. This is subject to the following:

(i) if, after the proposed delisting from any one or more recognised stock exchanges, the shares would remain listed on any recognised stock exchange which has nationwide trading terminals, no exit opportunity is required to be given to the public shareholders; and

(ii) if after the proposed delisting, the shares would not remain listed on any recognised stock exchange having nationwide trading terminals, an exit opportunity has to be given to all the public shareholders holding the shares sought to be delisted.

In the latter situation, the company has to, *inter alia,* obtain the prior approval of shareholders of the company by special resolution passed through postal ballot, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution. A special resolution shall be acted upon if and only if the votes cast by public shareholders in favour of the proposal amount to at least two times the number of votes cast by public shareholders against it. The company also has to file for in-principle approval and a final application to the stock exchange at the stipulated time.

The floor price for delisting will be determined by calculating the average of the weekly high and low of the closing prices during the last twenty six weeks or two weeks preceding the date on which the recognized stock exchange were notified of the board meeting in which the delisting proposal was considered, whichever is higher.

The promoter has a right to not accept this price determined by the book building process. Where the public shareholding at the opening of the bidding period was less than the minimum level of public shareholding required under the listing agreement, the promoter has to ensure that the public shareholding is brought up to such minimum level within a period of six months from the date of closure of the bidding through any of the following ways:

(i) by issue of new shares by the company in compliance with the provisions of the Companies Act and the guidelines and regulations of SEBI relating to issue of securities and disclosures;
(ii) by the promoter making an offer for sale of his holdings in compliance with applicable laws; or

(iii) by the promoter making sale of his holdings through the secondary market in a transparent manner.

The Ministry of Finance has, on June 10, 2009 proposed certain amendments to the Securities SCRR (the "**MoF Notification**") in relation to voluntary and compulsory delisting, to bring them in line with the Delisting Regulations. The MoF Notification shall become effective from the date when it is published in the official gazette. Due to their recent issuance, the applicability of the Delisting Regulations and MoF Notification have not been tested in any manner and hence it is possible that some of the clauses may be amended to make either the Delisting Regulations or the MoF Notification more effective or clarify any ambiguities contained therein. Investors are also requested to consult their advisors before taking any steps under the Delisting Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10 per cent., 15 per cent. and 20 per cent. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20 per cent. movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Disclosures under the Companies Act and Securities Regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act and the SEBI Regulations, and be filed with the Registrar of Companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters may be subjected to civil and criminal liability for misstatements in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and the allotment of securities among subscribers and establishes maximum commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, the SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. Prior to the repeal of certain rules in mid-1992, the Controller of Capital Issues of the Government regulated the prices at which companies could issue securities. The SEBI Regulations now permit companies to price their domestic issues of securities freely. The SEBI Regulations permit companies to freely price their issues of securities. All companies, including public limited companies, are required under the Companies Act to prepare and file with the Registrar of Companies and circulate to their shareholders audited annual accounts, which comply with the disclosure requirements of the Companies Act and regulations governing their manner of presentation, which include sections pertaining to corporate governance and the management's discussion and analysis as required under the Listing Agreement. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its listing agreement with the relevant stock exchange, including the requirement to publish un-audited financial statements on a quarterly basis, and is required to inform stock exchanges immediately regarding any stock price-sensitive information.

The Companies Act further requires mandatory compliance with accounting standards issued by the ICAI. The ICAI and SEBI have implemented changes which require Indian companies to account for deferred taxation, consolidate their accounts (subsidiaries only), and provide segment-wise reporting and disclosure of related party transactions from April 1, 2001 and accounting for investments in affiliated companies and joint ventures in consolidated accounts from April 1, 2002.

As of April 1, 2003, accounting of intangible assets is also regulated by accounting standards set by the ICAI and as of April 1, 2004 accounting standards set by the ICAI will regulate accounting for impairment of assets. The ICAI has recently announced that all listed companies and public interest entities have to comply with International Financial Reporting Standards from April 1, 2011.

Indian Stock Exchanges

There are currently 20 recognized stock exchanges in India. Most of the stock exchanges have their own governing board for self regulation. The BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization, and trading activity.

BSE

The BSE is one of the stock exchanges in India on which the Company's Shares are listed. Established in 1875, it is the oldest stock exchange in India. It was the first stock exchange in India to have obtained permanent recognition in 1956 from the Government of India under the SCRA. Pursuant to the BSE (Corporatisation and Demutualisation) Scheme 2005 of SEBI, the BSE has been corporatised and demutualised and is now a company under the Companies Act. The BSE has switched over to an on-line trading network since May 1995 and has today expanded this network to over 350 cities in India.

Derivatives trading commenced on the BSE in 2000. The BSE has a wholesale and retail debt trading categories. Retail trading in government securities commenced in January 2003. The BSE Sensitive Index, or Sensex, consists of listed shares of 30 companies. The companies are selected based on market capitalization, liquidity and industry representation. Sensex was first compiled in 1986 with the Fiscal Year ended March 31, 1979 as its base year. The BSE 100 Index (formerly the BSE National Index), introduced in January 1989, contains listed shares of 100 companies including the 30 in Sensex with Fiscal Year 1984 as the base year.

As of May 2010, the BSE had 1,029 members, comprising 173 individual members, 833 Indian companies and 23 FIIs. Only a member of the BSE has the right to trade in the stocks listed on the BSE. As at May 2010, there were 4,978 listed companies trading on the BSE and the estimated market capitalisation of stocks trading on the BSE was Rs. 60,896.81 billion. In May 2010, the average daily turnover on the BSE was Rs. 39.40 billion. As of February 2010, the BSE had 15,519 trader work stations spread over 324 cities.

MSE

Madras Stock Exchange Ltd (MSE) is a self regulatory organization having permanent recognition under the Securities Contracts (Regulations) Act, 1956, and the first Stock Exchange in the southern part of the country. Established in the year 1937, the Exchange has a long history of service to the nation and pioneered the development of the capital market in the southern part of India by catering to the needs of the Industrial entrepreneurs to raise capital for industrial promotion and providing investment opportunities to the public.

The Exchange is a demutualised corporate entity pursuant to the MSE (Corporatisation and Demutualisation) Scheme, 2005 approved by the Securities and Exchange Board of India (SEBI). The stakeholders of the Exchange include Financial Institution of the Tamil Nadu State Government, leading corporate houses, high networth individuals and Trading Members of the Exchange. The Exchange is managed by the Board of Directors, representing the various stakeholders in the manner as stipulated in the Demutualisation Scheme.

MSE has a strategic arrangements with the National Stock Exchange (NSE) which provides for the facility of trading by the members of MSE on NSE platform and also for trading of MSE listed companies on the NSE.

Internet-based Securities Trading and Services

SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by the SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

In terms of circular dated October 23, 2009 issued by SEBI, the stock exchanges have been permitted to set their trading hours (in cash and derivative segments) subject to the condition that the trading hours are between nine a.m. and five p.m. and the exchange has in place risk management system and infrastructure commensurate to the trading hours. At present, the trading hours of BSE and BSE are from nine a.m. to four p.m. The BSE and NSE are closed on public holidays.

Trading Procedure

In order to facilitate smooth transactions, in 1995, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE introduced for the first time in India, fully automated screen based trading. It uses a modern, fully computerised trading system designed to offer investors across the length and breadth of the country a safe and easy way to invest. The NSE trading system called 'National Exchange for Automated Trading is a fully automated screen based trading system, which adopts the principle of an order driven market, and operates on a price and time priority basis and enables members from across the country to trade various types of securities efficiently.

Takeover Code

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Code, which prescribes certain thresholds or trigger points that give rise to these obligations. The Takeover Code is under constant review by the SEBI and was last amended on April 13, 2010. Since the Company is an Indian listed company, the provisions of the Takeover Code apply to the Company.

The salient features of the Takeover Code are as follows:

- The term “shares” is defined under the Takeover Code to mean equity shares or any other security, which entitles a person to receive shares with voting rights but does not include preference shares.

- Any acquirer (meaning a person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in a company, or acquires or agrees to acquire control over a company, either by himself or with any person acting in concert with him) who acquires shares or voting rights (together with the company’s equity shares or voting rights, if any, already held by such acquirers) that would entitle him to more than 5%, 10%, 14%, 54%, 74% or 90% of the shares or voting rights in a company is required to disclose the aggregate of his shareholding or voting rights in that company to the company and to each of the stock exchanges on which the company’s shares are listed at every such stage within two days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition of shares or voting rights, as the case may be. Such company in turn is also required to disclose the same to the stock exchanges on which the company’s shares are listed.

- A person who holds more than 15% of the shares or voting rights in any company is required to make an annual disclosure of his holdings to that company within 21 days of the financial year ending on March 31 (which in turn is required to disclose the same to each of the stock exchanges on which that company’s shares are listed). Further, any person together with persons acting in concert with him who holds 15% or more but less than 55% or 55% or more but less than 75% of the shares or voting rights in any company is required to disclose any purchase or sale of shares aggregating 2% or more of the share capital of a company along with the aggregate shareholding after such acquisition or sale, to that company (which in turn is required to disclose the same within seven days of receipt of such information to each of the stock exchanges on which the company’s shares are listed) and to each of the stock exchanges on which the shares of the company are listed within two days of (i) the receipt of intimation of the allotment of shares or (ii) the acquisition of shares or voting rights, as the case may be.
- Promoters or persons in control of a company are also required to make periodic disclosure of their holdings or the voting rights held by them along with persons acting in concert, in the same manner as above, annually within 21 days of the end of each financial year as well as from the record date for entitlement of dividends. The company is also required to disclose the holdings of its promoters or persons in control as of March 31 of the respective year and on the record date fixed for the declaration of dividends to each of the stock exchanges on which its equity shares are listed. In addition, promoters or persons forming part of the promoter group of the company are also required to disclose to the company the details of the shares of the company pledged by them within seven days of the creation, or invocation, of the pledge, as the case may be. The company is, in turn, required to disclose the information to the stock exchanges within 7 days of receipt of such information, if during any quarter ending March, June, September and December of any year: (i) the aggregate number of pledged shares of a promoter or a person forming part of the promoter group taken together with the shares already pledged during that quarter exceeds 25,000, or (ii) the aggregate total pledged shares of a promoter or a person forming part of the promoter group taken together with the shares already pledged during that quarter exceeds 1% of the total shareholding or voting rights of the company, whichever is lower.

- An acquirer who, together with persons acting in concert with him, acquires or agrees to acquire 15% or more (taken together with existing equity shares or voting rights, if any, held by it or by persons acting in concert with it) of the shares or voting rights of a company would be required to make a public announcement offering to acquire a further minimum of 20% of the shares of the company at a price not lower than the price determined in accordance with the Takeover Code. Such offer has to be made to all public shareholders of a company (public shareholding is defined as shareholding held by persons other than the promoters) and a public announcement is required to be made within four working days of entering into an agreement for the acquisition of or of the decision to acquire shares or voting rights which exceed 15% or more of the voting rights in a company. A copy of the public announcement is required to be delivered on the date on which such announcement is published to SEBI, the company and the stock exchanges on which such company’s equity shares are listed.

- An acquirer who, together with persons acting in concert with him, has acquired 15 %, or more, but less than 55% of the shares or voting rights in the shares of a company, cannot acquire additional shares or voting rights that would entitle him to exercise more than 5% of the voting rights (with post acquisition shareholding or voting rights not exceeding 55%) in any financial year ending on March 31 unless such acquirer makes a public announcement offering to acquire a further minimum of 20% of the shares of the company at a price not lower than the price determined in accordance with the Takeover Code.

- An acquirer who, together with persons acting in concert with him, if any, holds 55% or more but less than 75% of the shares or voting rights (or, where the company concerned obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, less than 90% of the shares or voting rights in the company) in a company cannot acquire additional shares either by himself, or with, or through person acting in concert, entitling him to exercise voting rights or voting rights unless such acquirer makes a public announcement offering to acquire a further minimum of 20% of the shares of the company at a price not lower than the price determined in accordance with the Takeover Code.

- However, an acquirer may acquire, together with persons acting in concert with him, additional shares or voting rights that would entitle him to exercise up to 5% voting rights in the company, without making a public announcement as aforesaid if (i) the acquisition is made through open market purchase in normal segment on the stock exchange but not through bulk/block deal/negotiated deal/preferential allotment, or the increase in the shareholding or voting rights of the acquirer is pursuant to a buyback of shares by the company; and (ii) the post acquisition shareholding of the acquirer together with persons acting in concert with him shall not increase beyond 75%.

- Where an acquirer who (together with persons acting in concert) holds 55% or more, but less than 75% of the shares or voting rights (or, where the company concerned obtained initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCR Rules, less than 90% of the shares or voting rights) in the company, intends to consolidate its holdings while ensuring that the public shareholding in the target company does not fall below the minimum level permitted by the listing agreement with the stock exchanges, the acquirer may do so only through an open offer under the Takeover Code. Such open offer would be required to be made for the lesser of (i) 20% of the voting capital of the company, or (ii) such other lesser percentage of the voting capital of the company as would, assuming full subscription to the open offer, enable the acquirer (together with persons acting in concert), to increase the holding to the maximum level possible, i.e. up to the delisting threshold (75% or 90%, as the case may be).
- The mandatory public offer requirements prescribed by the Takeover Code have also been made applicable to acquisitions of global depository receipts where the holders of such global depository receipts become entitled to exercise voting rights, in any manner, on the underlying shares.

- In addition, regardless of whether there has been any acquisition of shares or voting rights in a company, an acquirer cannot directly or indirectly acquire control over a company (for example, by way of acquiring the right to appoint a majority of the directors or to control the management or the policy decisions of the company) unless such acquirer makes a public announcement offering to acquire a minimum of 20% of the shares of the company. In addition, the Takeover Code introduces the "chain principle" by which the acquisition of a holding company will obligate the acquirer to make a public offer to the shareholders of each of its subsidiary companies which is listed. However, the public announcement requirement will not apply to any change in control which takes place pursuant to a special resolution passed by way of postal ballot by shareholders. The Takeover Code sets out the contents of the required public announcements as well as the minimum offer price. The minimum offer price depends on whether the shares of the company are "frequently" or "infrequently" traded (as defined in the Takeover Code). In the case of shares which are frequently traded, the minimum offer price shall be the highest of the:

  (a) negotiated price under the agreement for the acquisition of shares or voting rights in the company;
  (b) highest price paid by the acquirer or persons acting in concert with him/her for any acquisitions, including through an allotment in a public, preferential or rights issue, during the 26-week period prior to the date of the public announcement; or
  (c) average of the weekly high and low of the closing prices of the shares of the company as quoted on the stock exchange where the shares of the company are most frequently traded during the 26-week period prior to the date of the public announcement or the average of the daily high and low of

the prices of the shares as quoted on the stock exchange where the shares of the company are most frequently traded during the two-week period prior to the date of the public announcement, whichever is higher.

- The open offer for the acquisition of a further minimum of 20% of the shares of a company has to be made by way of a public announcement which is to be made within four working days of entering into an agreement for the acquisition or the decision to acquire shares or voting rights exceeding the relevant percentages or within four working days after the decision to make any such changes is made which would result in acquisition of control.

- The Takeover Code provides that an acquirer who seeks to acquire any shares or voting rights which would result in the public shareholding in the target company being reduced to a level below the limit specified in the listing agreement with the stock exchange for the purpose of listing on a continuous basis, shall take the necessary steps to facilitate the compliance by the company with the relevant provisions of such listing agreement, within the time period mentioned therein. Further, the Takeover Code contains penalties for the violation of any provisions.

- The Takeover Code permits conditional offers and provides specific guidelines for the gradual acquisition of shares or voting rights. Specific obligations of the acquirer and the board of directors of the target company in the offer process have also been set out.

- Acquirers making a public offer are also required to deposit a percentage of the total consideration for such offer in an escrow account. This amount will be forfeited in the event that the acquirer does not fulfil his/her obligations.

- The general requirements to make such a public announcement do not, however, apply entirely to bailout takeovers when a promoter (i.e. a person or persons in control of the company, persons named in any offer document as promoters and certain specified corporate bodies and individuals) is taking over a financially weak company but not a "sick industrial company" pursuant to a rehabilitation scheme approved by a public financial institution or a scheduled bank. A "financially weak company" is a company which has at the end of the previous financial year accumulated losses which have resulted in the erosion of more than 50% but less than 100% of the total sum of its paid up capital and free reserves as at the beginning of the previous financial year. A "sick industrial company" is a company registered for more than five years which has at the end of any financial year accumulated losses equal to or exceeding its entire net worth.

The public offer provisions of the Takeover Code (subject to certain specified conditions), do not apply, inter alia, to certain specified acquisitions, including the acquisition of shares (i) by allotment in a public and rights issue subject to the fulfillment of certain conditions, (ii) pursuant to an underwriting agreement, (iii) by registered stockbrokers in the ordinary course of business on behalf of clients, (iv) in unlisted companies (unless such acquisition results in an indirect acquisition of shares in excess of 15% in a listed company), (v) pursuant to a scheme of arrangement or reconstruction including an amalgamation or demerger, under any law or regulation of India or any other country, (vi) pursuant to a scheme under section 18 of SICA, (vii) resulting from transfers between companies belonging to the same group of companies or between promoters of a publicly listed company and their relatives, provided the relevant conditions are complied with, (viii) through inheritance or succession, (ix) resulting from transfers by Indian venture capital funds or foreign venture capital investors registered with the SEBI, to their respective promoters or to other venture capital undertakings, (x) by companies controlled by the Indian Government unless such acquisition is made pursuant to a disinvestment process undertaken by the Indian government or a state government, (xi) pursuant to a change in control by the takeover/restoration of the management of a borrower company by a secured creditor under the terms of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (xii) by acquisition of shares by a person in exchange for equity shares received under a public offer made under the Takeover Code, and (xiii) in terms of guidelines and regulations relating to delisting of securities as specified by SEBI. The Takeover Code does not apply to acquisitions in the ordinary course of business by public financial institutions, either on their own account or as a pledgee. An application may also be filed with the SEBI seeking exemption from the requirements of the Takeover Code.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations 1992, as amended ("**Insider Trading Regulations**") have been notified by SEBI to prohibit and penalize insider trading in India. The Insider Trading Regulations prohibit an "insider" from dealing, either on his own behalf or on behalf of any other person, in the securities of a company listed on any stock exchanges when in possession of unpublished price-sensitive information. The terms "insider" and "unpublished price-sensitive information" are defined in the Insider Trading Regulations. The insider is also prohibited from communicating, counseling or procuring, directly or indirectly, any unpublished price-sensitive information to any other person who while in possession of such unpublished price-sensitive information is prohibited from dealing in securities. The prohibition under the Insider Trading Regulations extends to all persons, including a company dealing in the securities of a company listed on any stock exchange or associate of that other company, while in the possession of unpublished price-sensitive information. Pursuant to recent amendments to the Insider Trading Regulations, the definition of the term insider has been broadened to include any person who has received or has had access to unpublished price sensitive information of the company.

The Insider Trading Regulations require any person who holds more than 5 per cent. of the outstanding shares or voting rights in any listed company to disclose to the company the number of shares or voting rights held by such person on becoming such holder within two working days of:

- the receipt of intimation of allotment of shares; or
- the acquisition of the shares or voting rights, as the case may be.

On a continuous basis any person who holds more than 5 per cent. of the shares or voting rights in any listed company is required to disclose to the company the number of shares or voting rights held by such person and change in shareholding or voting rights (even if such change results in the shareholding falling below 5 percent) and any such change in such holding since last disclosure made, where such change exceeds 2 per cent. of the total shareholding or voting rights in the company. Such disclosure is required to be made within two working days of either: (i) the receipt of intimation of allotment of shares; or (ii) the acquisition or sale of shares or voting rights, as the case may be.
Further, all directors and officers of a listed company are required to disclose to the company the number of shares or voting rights held and positions taken in derivatives by such person in such company within two working days of becoming a director or officer of such company. All directors and officers of a listed company are also required to make periodic disclosures of their shareholding in the company as specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities associated with the securities market to establish an internal code of conduct to prevent insider trading and also to regulate disclosure of unpublished price-sensitive information within such entities so as to minimise misuse of such information. To this end, the Insider Trading Regulations provide a model code of conduct. As per the recent amendments, the Insider Trading Regulations require that the model code of conduct should not be diluted in any manner and shall be complied with. The model code of conduct has also been amended to prohibit all directors/ officers/ designated employees who buy or sell any number of shares of the company from entering into opposite transactions during the next six months following the prior transaction. All directors, officers and designated employees have also been prohibited from taking positions in derivative transactions in shares of the company at any time. Further, certain provisions pertaining to, *inter alia*, reporting requirements have also been extended to dependants of directors and designated employees of the company.

Depositories

In August 1996, the Indian Parliament enacted the Depositories Act which provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. SEBI framed the Securities and Exchange Board of India (Depositories and Participants) Rules and Regulations, 1996, as amended which provide inter alia, for the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets. The Depositories Act requires that every person subscribing to securities offered by an issuer has the option either to receive the security certificate or hold the securities with a depository. The NSDL and CDSL are two depositories that provide electronic depository facilities for the trading of equity and debt securities in India. Trading of securities in book-entry form commenced in December 1996. In order to encourage "dematerialization" of securities, SEBI has set up a working group on dematerialization of securities comprising foreign institutional investors, custodians, stock exchanges, mutual funds and the NSDL to review the progress of securities and trading in dematerialised form and to recommend scrips for compulsory, dematerialised trading in a phased manner. In January 1998, the SEBI notified scrips of various companies for compulsory dematerialised trading by certain categories of investors such as foreign institutional investors and other institutional investors and has also notified compulsory dematerialised trading in specified scrips for all retail investors. SEBI has subsequently significantly increased the number of scrips in which dematerialised trading is compulsory for all investors. SEBI has also provided that the issue and allotment of shares in public offers, rights offers or offers for sale after specified dates to be notified from time to time by SEBI shall only be in dematerialised form and an investor shall be compulsorily required to open a depository account with a participant. Under the Depositories Act, a company shall give the option to subscribers/shareholders to receive the security certificates or hold securities in dematerialised form with a depository. However, even in the case of scrips notified for compulsory dematerialised trading, investors, other than institutional investors, are permitted to trade in physical shares on transactions outside the stock exchange where there are no requirements for reporting such transactions to the stock exchange and on transactions on the stock exchange involving lots of less than 500 securities.

Transfers of shares in book-entry form require both the seller and the purchaser of the equity shares to establish accounts with depository participants registered with the depositories established under the Depositories Act. Charges for opening an account with a depository participant, transaction charges for each trade and custodian charges for securities held in each account vary depending upon the practice of each Depository Participant and have to be borne by the accountholder. Upon delivery, the shares shall be registered in the name of the relevant depository on the company's books and this depository shall enter the name of the investor in its records as the beneficial owner. The transfer of beneficial ownership shall be affected through the records of the depository. The beneficial owner shall be entitled to all rights and benefits and be subject to all liabilities in respect of his/her securities held by a depository.

The Companies Act compulsorily provides that Indian companies making any initial public offerings of securities for or in excess of Rs.100 million should issue the securities in dematerialised form in accordance with the provisions of the Depositories Act and the regulations made there under.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivative exchange or derivative segment of a stock-exchange functions as a self regulatory organization under the supervision of SEBI. Derivatives products were introduced in phases in India, starting with futures contracts in June 2000 and index options, stock options and stock futures in June 2001, July 2001 and November 2001, respectively.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to the share capital of the Company including a brief summary of some of the provisions of the Memorandum and Articles of Association of the Company and the Companies Act relating to the rights attached to its Shares.

General

The authorized share capital of the Company is Rs. 70,00,00,000 comprising of 7,00,00,000 Equity Shares of Rs. 10 each.

Articles of Association

The Company is governed by its Articles of Association.

Description of the Shares

Dividends

Under the Companies Act, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the members, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. However, the board of directors is not obligated to recommend a dividend. The decision of the board of directors and shareholders of the Company may depend on a number of factors, including but not limited to the Company's profits, capital requirements and overall financial condition.

No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The Company shall comply with the provisions of sections 205A of the Companies Act in respect of unpaid or unclaimed dividend.

Subject to applicable provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations issued there under, as amended, all dividends and other distributions declared and payable on the Shares may be paid by the Company to the holder thereof in Indian Rupees and may be converted into foreign currency and freely transferred out of the Republic of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the Republic of India or any political subdivision or taxing authority thereof.

Capitalization of Profits

The Company may capitalise the whole or part of the amount for the time being standing in credit of any of the Company's reserve account or to the profit or loss account or available for distribution, upon recommendation of the board of directors. The Articles of Association of the Company provide that such sums are not to be paid in cash and are to be applied towards paying up any amount which is unpaid towards shares or paying in full held by such member respectively, un-issued shares of the Company to be allotted and distributed, credited as fully paid up, to and among such members in the proportion aforesaid or a combination of both.

Alteration of Share Capital

The Articles of the Company provide that the Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- Power to increase or reduce, consolidate or subdivide the capital of the Company for the time being and from time to time divide the shares of the new capital into several clauses and denomination and to issue any shares of the original or further of the capital for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto.

General Meetings of Shareholders

A company must hold its annual general meeting each year within 15 months of the previous annual general meeting or within six months after the end of each accounting year, whichever is earlier, unless extended by the Registrar of Companies at the request of the company for any special reason.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting in accordance with section 171 of the Companies Act. A general meeting may be called after giving shorter notice if consent is received from all shareholders at an Annual General Meeting, or from shareholders holding not less than 95% of the paid-up capital of the company, at any other general meeting.

Voting Rights

Every member present in person shall have one vote and on poll, the voting rights shall be as laid down in section 87 of the Companies Act, subject to any rights or restrictions for the time being attached to any class or classes of shares.

The instrument appointing a proxy is required to be lodged with the company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the company at the office before the vote is given. Further no member shall be entitled to exercise any voting right personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid in regard to which the Company has exercised any right of lien.

Register of Members

The Company is required to maintain a register of members wherein the particulars of the members of the Company are entered. For the purpose of determining the shareholders the register may be closed for such period as the board of directors may deem expedient

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services India Limited.

Liquidation Rights

The Articles of Association of the Company provide that on winding up, either voluntarily or otherwise, the liquidator may which sanction of special resolution or any other sanction required by the act divide among the members in specie or kind any part of the assets of the Company and may with the like sanction vest any part of the asset of the Company in trustees upon such trust for the benefit of the members or any of them as the liquidator with the like sanction shall think fit.

Subject to applicable provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations issued there under, as amended, all amounts payable with respect to Shares upon liquidation of the Company may be paid by the Company to the holder thereof in Indian Rupees and may be converted into foreign currency and freely transferred out of the Republic of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the Republic of India or any political subdivision or taxing authority thereof.

Employee Stock Option Plans

The Company has not come out with any Employee Stock Option Plans.

TAXATION

(Extract of the certificate received from the Auditors has been mentioned in this section)

I hereby report that the enclosed annexure states the possible tax benefits available to M/s Info-Drive Software Limited (the "Company") and its shareholders under the Indian Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India. Several of these benefits are dependent on the company or the shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the company or its shareholders to derive the tax benefits is dependent upon such conditions, which based on business imperatives the company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed herein below are not exhaustive. This statement is intended to provide only general information to the investors and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

I do not express any opinion or provide any assurance as to whether:

(i) the company or its shareholder will continue to obtain these benefits in the future; or
(ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of this annexure are based on the information, explanations and representations obtained from the company and on basis of my understanding of the business activities and operations of the Company.

For K.S.Reddy Associates
Chartered Accountants
Sd/-

K.Subba Reddy (Proprietor)
M.No.208754

Place: Chennai
Date: 25th June 2010

ANNEXURE-STATEMENT OF POSSIBLE BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Taxation in India

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the current tax laws presently in force in India. It is neither exhaustive nor comprehensive and hence is not intended to be a substitute for any professional advice. Investors are advised to consult their own tax consultants with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislations may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

As per the taxation laws in force, the tax benefits/consequences as applicable to the QIBs (not being individuals or HUFs) investing in the Equity Shares (on the assumption that the units are not held as stock -in-trade) are stated as follows:

A. Benefits available to the company under the Income-tax Act, 1961

1. Special Benefits under Section 10A of the Income Tax Act, 1961.

The Company currently enjoys benefits of 100% tax exemption under Section I OA of the Income Tax Act, 1961 as the company is registered under the Software Technology Parks of India (STPI). Under the current laws, the tax benefits are applicable to these STPI units but are to expire by March 31, 2011 unless the same is extended through proper statutory announcements appropriately.

2. Exemption in respect of dividend income: Dividends declared, distributed or paid by the Domestic Companies are exempt in the hands of the company as per the provisions of section 10(34) of the Income Tax Act

3. Depreciation:

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business under Section 32 of the Act.

B. Benefits available to:

I. Resident Members:

1. Dividends exempt under section 10(34): Dividends declared, distributed or paid by the Company are exempt in the hands of the shareholders as per the provisions of section 10(34) of the Income Tax Act, but however the same is subject to dividend distribution tax for the Company under Section 115-0 of the Act.

2. Computation of Capital Gains : Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Under Section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition. As per the provisions of Section 112 of the I.T. Act, long term capital gains as computed above would be subject to tax at the rate of 20 percent (plus applicable surcharge and education cess). However as per the proviso to section 1 l2 of the Act, if the tax payable in respect of long term capital gains resulting on transfer of listed securities or units or zero coupon bonds, calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge and education cess). Gains arising out of short term capital asset are currently chargeable at 30 percent (plus applicable surcharge and education cess). As per Section I I I A of the I.T. Act, short term capital gain arising from transfer of an equity share in a company listed on a recognized stock exchange or a unit of an equity oriented fund would be taxable at 15 percent (plus applicable surcharge and education cess) where securities transaction tax (STT) has been paid. In case the short-term capital gains arise on sale of equity shares, where the transaction of sale is not entered on a recognised stock exchange in India and is not chargeable to STT such capital gains shall be subject to tax at a rate of 30% (plus applicable surcharge and education cess).

3. Exemption of long term capital gains from income-tax:

As per the provisions of Section 10(38) of the Act, long term capital gains arising from transfer of an equity share in a company or a unit of an equity oriented fund where the transaction of sale is chargeable to STT shall be exempt from Income Tax. However long term capital gains of a Company shall be taken into account in computing tax payable under Section I I5JB of the I.T. Act in case of a Company.

As per section 54EC of the Act, capital gains arising from the transfer of a long term capital asset shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by the following and subject to the conditions special therein:

i) National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988

ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1856

- If only part of the capital gains is reinvested, the exemption shall be proportionately available.
- However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/conversion. As per this section, the investment in the Long Term Specified Asset cannot exceed 50 lacs rupees.
    - As per the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains arising from transfer of long term capital assets, being listed securities or units of mutual fund specified under section 10 (23D) of the Act shall not be chargeable of tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of capital" within six months from the date of transfer of the said long term capital assets.
    - Eligible issue of capital has been defined as an issue of equity shares, which satisfies the following conditions.
        - the issue is made by a public company formed and registered in India; and
        - the shares forming part of the issue are offered for subscription to the public

II. Resident Indians:

1. **Dividends Income:** Dividends if any received by the Non-Resident Shareholders from a Domestic Company shall be exempt from tax under section 10(34) read with Section 115-0 of the Act.

2. **Computation of Capital Gains :** Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10 (38) of the Act), if any, will be treated as

long term capital gains. However the Capital Gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be re-converted into Indian Currency. The conversion needs to be at the prescribed rates prevailing on the dates stipulated. Further the benefit of indexation as provided in second proviso to Section 48 of the Act is not available to Non Resident Shareholders.

Gains arising out of short term capital asset are currently chargeable at 30 percent (plus applicable surcharge and education cess). However as per section 111 A of the Act, short term capital gain arising from transfer of an equity share in a company listed on a recognized stock exchange or a unit of an equity oriented fund would be taxable at 15 percent (plus applicable surcharge and education cess), in cases where securities transaction tax has been paid.

3. Capital Gains Tax:

Special provisions in case of non-resident Indians in respect of income/LTCG from specified foreign exchange assets under Chapter XII-A of the Act.

i) Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin if he, or either of his parents or any of his grand parents, were born in undivided India.

ii) Specified foreign exchange assets include shares of an Indian company which is acquired/purchased/subscribed by NRI in convertible foreign exchange.

- As per the provision of Section 115-D read with Section 115-E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge) without indexation benefit.

- Under provision of Section 115-F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to a non resident Indian from the transfer of the shares of the company subscribed to in convertible foreign exchange shall be exempt from tax, if the net consideration is invested in specified assets within 6 months from the date of transfer. In only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition.

    - As per the provisions of Section 115-G of the Act, Non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is investments or long term capital gains or both, provided tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.

    - Under section 115-H of the Act, where the Non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

    - As per the provisions of Section 115-I of the Act, a non-resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for the assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for the assessment year will be computed in accordance with the other provisions of the Act.

- As per section 115-J of the Act, the NRI can opt, not be governed by the provisions of chapter XII-A for any assessment year by furnishing return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of this chapter shall not apply, in which case the other provisions of the income tax act shall apply.

- As per section 54EC of the Act, capital gains arising from the transfer of a long term capital asset shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by the following and subject to the conditions special therein:

i) National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988

ii) Rural Electrification Corporation Limited, a company formed and registered under he Companies Act, 1856

- If only part of the capital gains is reinvested, the exemption shall be proportionately available.

- However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/conversion. As per this section, the investment in the Long Term Specified Asset cannot exceed Rs.50 lacs.

- As per the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains arising from transfer of long term capital assets, being listed securities or units of a mutual fund specified under section 10(23D) of the Act shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of capital" within six months from the date of transfer of the said long term capital assets.

- Eligible issue of capital has been defined as an issue of equity shares, which satisfies the following conditions.
  - the issue is made by a public company formed and registered in India; and
  - the shares forming part of the issue are offered for subscription to the public

5. **Provisions of the Act vis-a-vis provision of the tax treaty:** As per Section 90 of the Act, the shareholders can claim relief in respect of Double Taxation if any as per the provisions of the applicable Double Taxation Avoidance Agreements (DTAA) entered into by the Government of India with the Country of Residence of the Non-Resident Investor.

III. Benefits available to other non-residents

1. **Dividends exempt under section 10(34):** Dividends declared, distributed or paid by the company for the any assessment year are exempt in the hands of shareholders as per the provisions of section 10(34) of the Act.
2. **Computation of Capital Gains :** Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10 (38) of the Act), if any, will be treated as long term capital gains.

However the Capital Gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be re-converted into Indian Currency. The conversion needs to be at the prescribed rates prevailing on the dates stipulated. Further the benefit of indexation as provided in second proviso to Section 48 of the Act is not available to Non Resident Shareholders.

3. As per the provisions of section 112(1) of the Act, long term capital gains as computed above would be subject to tax at the rate of 20percent (plus applicable surcharge). However as per the proviso to section 112(1) of the Act, if the tax payable in respect of long term capital gains resulting on transfer of listed securities or units or zero coupon bonds, calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge).
   Gains arising out of short term capital asset are currently chargeable at 30 percent (plus applicable surcharge). However as per section I I1A of the Act, short term capital gain arising from transfer of an equity share in a company listed on a recognized stock exchange or a unit of an equity oriented fund would be taxable at 10 percent (plus applicable surcharge), in cases where securities transaction tax has been paid.

4. Exemption of long term capital gains from income-tax: As per the provisions of Section 10 (38) of the Act, long term capital gains arising from transfer of an equity share in a company or a unit of an equity oriented fund is exempt from income tax in cases where securities transaction tax has been paid.

- As per section 54EC of the Act, capital gains arising from the transfer of a long term capital asset shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by the following and subject to the conditions special therein:
  i) National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988
  ii) Rural Electrification Corporation Limited, a company formed and registered under he Companies Act, 1856

- If only part of the capital gains is reinvested, the exemption shall be proportionately available. However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/conversion. As per this section, the investment in the Long Term Specified Asset cannot exceed Rs.50 lacs.

- As per the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains arising from transfer of long term capital assets, being listed securities or units of a mutual fund specified under section 10 (23D) of the Act or the UTI shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of capital" within six months from the date of transfer of the said long term capital assets.

- Eligible issue of capital has been defined as an issue of equity shares, which satisfies the following conditions.
  - the issue is made by a public company formed and registered in India; and
  - the shares forming part of the issue are offered for subscription to the public

5. **Provisions of the Act vis-a-vis provision of the tax treaty:** As per Section 90 of the Act, the shareholders can claim relief in respect of Double Taxation if any as per the provisions of the applicable Double Taxation Avoidance Agreements (DTAA) entered into by the Government of India with the Country of Residence of the Non-Resident Investor.

IV. Benefits available to Foreign Institutional Investors (FIIs)

1. **Dividend Income:** Dividend (both interim and final), if any, received by the shareholder from the domestic company shall be exempt from tax under Section 10 (34) read with Section 1150 of the Act.
2. **Capital Gains:**

i) As per Section 115AD of the Act, income (other than income by way of dividends referred to Section115-O) received in respect of securities(other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess). No deduction in respect of any expenditure/ allowance shall be allowed from such income.

ii) As per Section 115AD of the Act, capital gains arising from transfer of securities shall be taxable as follows:

As per Section III A of the Act, STCG arising on transfer of securities where such transaction is chargeable to STT shall be taxable at the rate of 15% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess)
STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess),

LTCG arising on transfer of a long term capital asset, being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the Act, LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess). The indexation benefit shall not be available while computing the capital gains.

iii) Benefit of exemption under Section 54EC of the Act shall be available as outlined in Paragraph l(B)(h) above.

Tax Treaty Benefits: As per Section 90 of the Act, a shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements entered into by the Government of India with the country of residence of the non-resident investor,

V. Mutual Funds: As per the provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

VI. Tax Benefits available to Venture Capital Companies/Funds

As per the provisions of section l0(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking, is exempt from income tax. However, the income distributed by the Venture Capital companies/funds to its investors would be taxable in the hands of the recipients.

C. Benefits available to the shareholders of the Company under the Wealth Tax Act, 1957: Shares in a company, held by a shareholder are not treated as an asset within tile meaning of Section 2 (ea) of the Wealth Tax Act, 1957 hence, wealth tax is not applicable on shares held in a company.

D. The Gift Tax Act, 1957: Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift tax. However, any transfer of shares made subsequent to October 1, 2009 without adequate consideration to an individual or HUF will be taxable in the hands of the transferee under the newly inserted clause (vii) under Section 56(2) of the Income Tax Act, 1961 subject to prescribed conditions.

Security Transaction Tax (STT): STT in respect of any taxable securities transaction shall be collected from the seller or the buyer, on the value of such transaction, by every recognized stock exchange or the prescribed person in case of any Mutual Fund, at the rate specified in section 98 of the Act

Notes:

a) All the above benefits are as per the current tax laws and will be available only to the sole/first named holder in case the shares are held by joint holders. Some or all of the tax consequences may be modified or amended by future amendments to the tax laws.

b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

c) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

d) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

e) The above statement is prepared based on Finance Bill, 2009.

LEGAL PROCEEDINGS

Except as described below, our Company is not involved in any legal proceedings and to our knowledge, no legal proceedings are threatened against our Company which may have, or have had, during the twelve months preceding the date of this Placement Document a material adverse affect on the business and financial condition of our Company. –

[1] With the Registrar of Companies – Chennai:

The Registrar of Companies, [ROC] Chennai conducted an inspection of the books of accounts of our Company in 2007, under Section 209A of the Companies Act in 2007 and issued a "Preliminary Findings" report dated 31st October 2007. Pursuant to the above a Show Cause Notice dated 15th February 2010, has been received by the Company in matter of Section 383A of the Companies Act 1956, the allegation being the non appointment of a Whole-Time Company Secretary up to the year 2005.

The Company has appointed Mr.V.Gopal Rao as a Whole Time Company Secretary, with effect from December 2006. The company has vide its letters dated 24th February, 2010 **responded to the above show cause notice.**

[2] Investor related issues:

Two investors of the company had filed an application with the Consumer Forum at Saharanpur, Uttar Pradesh, alleging the non allotment of "Rights Shares" by the Company in 2007. The applications were filed in December 2007/ January 2008.

As the company had met all its commitments, the company in turn filed an "Anti Suit Injunction" in the "Hon'ble Madras High Court in 2008 against these investors. The Hon'ble Madras High Court has granted an order of "Interim Injunction" in June 2009 restraining these Investors, from initiating/proceeding with any suit/application against the company in any forum/court of law outside Chennai. **Subsequently the applications filed by these investors have been withdrawn from the Consumer Forum.**

GENERAL INFORMATION

Info-drive Software Ltd (INFO-DRIVE) was started by Mr.K.Shivakumar as a proprietary concern in the year 1985 in the name Info-Drive Computer Centre and was then converted into a Private Limited Company on 16/03/1988 under Companies Act, 1956, in the name and style of "Info-drive Computers Private Limited". It was subsequently converted into a Public Limited Company on 23/12/1994 and a fresh certificate of incorporation was obtained. The name was later changed to Info-drive Software Limited on 31/01/1995

The Registered Office is located at "Buhari Buildings, Second Floor, No: 3, Moores Road, Chennai – 600 006, India. We are registered with the Registrar of Companies, Chennai, Tamil Nadu, under CIN L36999 TN 1988PLC015475. The Issue was authorized and approved by the Board of Directors on 29th December 2009.

The Company has obtained in-principle approval for listing of Equity Shares issued pursuant to the Issue from Madras stock Exchange Limited vide letter no. MSE/LD/PSK/738/320/10 dated 29.07.2010 and Bombay Stock Exchange vide their Ref : CS/AMAL/PVN/24(a)426/2010-11 dated 02.08. 2010.

Copies of the Memorandum of Association and Articles of Association, will be available for inspection between 10.00 AM to 5.00 PM any weekday [except Saturdays and public holidays] at our registered office.

We will obtain all consents, approvals, and authorizations required in connection with this Issue.

There has been no material change in our financial or trading position since March 31 2010 the date of the latest financial statements prepared in accordance with Indian GAAP included in this Placement Document except as disclosed herein.

'Precision Infomatic (Madras) Private Limited', a Company in which the Company holds 51% equity, have informed the company that they have passed a resolution to convert the debentures held by their promoters which will result in the company's holding reducing from 51% to 24%. The meeting in which the resolution to convert the debentures had been passed by them is without proper notice and also is full of legal lacunae and hence the whole action is legally unsustainable. The Company has issued a rebuttal to their action and intends taking appropriate legal action against Precision Infomatic (Madras) Private Limited to ensure that the company's holding is not diluted.

M/s. Bhari Information Technology Systems Private Limited, has ceased to be one of the promoters of our company with effect from 31st August 2010, consequent to the divesting of their shareholding.

Except as disclosed herein, there are no litigation or arbitration proceedings against or affecting us, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this issue.

Our current auditors are M/s. K.S.Reddy Associates. M/s.K.S.Reddy Associates have audited the standalone financial statements of Info-Drive Software Limited, and our consolidated financial statements, in each case, as at and for the year ended March 31, 2010, 2009 and 2008

We confirm that we are in compliance with the minimum public shareholding requirements as required under the terms of the listing agreement with the Stock Exchanges.

The Floor Price for the Issue is Rs. 23.14 per Equity Share. The Floor Price has been calculated in according with Chapter VIII of the SEBI – Issue of Capital Disclosure & Requirements Regulations.

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENT

To the Board of Directors of INFO-DRIVE SOFTWARE LIMITED

I have audited the attached Consolidated Balance Sheet of INFO-DRIVE SOFTWARE LIMITED, and its subsidiaries as at March 31, 2010 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I did not audit the financial statements of subsidiaries whose financial statements reflect total assets Rs.9,246.81 lacs as at March 31, 2010, total revenues of Rs.19,855.81 lacs and cash inflows amounting to Rs.2,412.01 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to me, and my opinion is based solely on the report of other auditors.

I report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

Based on my audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to me, I am of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

i) in the case of the Consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2010;
ii) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
iii) in the case of Consolidated Cash Flow Statement of the cash flows for the year ended on that date.

For K. S. Reddy Associates

Chartered Accountants FRN 009013S

Chennai
27.08.10

K. Subba Reddy (Proprietor)
M.No.208754

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Rs.Lacs

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS:			
SHARE HOLDERS' FUNDS			
Share Capital	A	2,923.89	2,923.89
Advance towards Share Capital		55.13	55.13
Reserves & Surplus	B	4,419.25	3,676.19
LOAN FUNDS			
Secured Loans	C	2,383.56	1,949.01
Unsecured Loans	D	4,130.14	2,975.81
Minority Interest		42.03	(26.83)
Deferred Tax Liability	E	48.68	-
Total		**14,002.68**	**11,553.20**
APPLICATION OF FUNDS:			
FIXED ASSETS	F		
Gross Block		2,303.04	2,231.15
Less: Depreciation		910.47	790.56
Net Block		1,392.57	1,440.59
Goodwill (on consolidation)		5,537.15	5,667.15
INVESTMENTS			
In Mutual Funds	G	25.00	10.50
Deferred Tax Asset	E	-	27.27
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	H	370.83	495.47
b. Sundry Debtors	I	7,269.36	5,412.87
c. Cash & Bank Balances	J	2,412.01	606.91
d. Loans & Advances	K	885.10	779.31
e. Other Current Assets	L	803.41	637.45
		11,740.71	7,932.01
LESS: CURRENT LIABILITIES			
a. Current Liabilities	M	4,317.04	3,178.23
b. Provisions	N	448.62	421.93
Net Current Assets		6,975.05	4,331.85
MISCELLANEOUS EXPENDITURE			
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)	O	72.91	75.84
		72.91	75.84
		14,002.68	**11,553.20**
Notes on Accounts	V		
The Schedules referred to above and the notes thereon form an integral part of these financial statements			

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

	Schedule	2009-2010	2008-2009
INCOME:			
Income from operations	P	21,336.79	19,981.26
Other Income	Q	54.46	185.76
		21,391.25	**20,167.02**
EXPENDITURE:			
Cost of goods sold/services (COGS)	R	15,798.83	14,109.12
Employees Cost	S	2,669.05	3,326.07
Administrative, Selling & Other Expenses	T	1,168.21	1,272.79
Finance Charges	U	361.43	391.33
Exchange Fluctuation		138.40	-
Depreciation	F	227.86	239.03
		20,363.78	**19,338.34**
Profit for the year before taxation		1,027.47	828.68
Less: Provision for Taxation (incl FBT)		113.74	66.66
Provision for Deferred Tax		18.81	(49.49)
		894.92	811.51
Add: Prior Period items		19.19	-
		914.11	811.51
Less: Minority Interest		-	9.80
		914.11	801.71
Less: Proposed dividend including distribution tax		171.05	171.05
Balance carried to Balance Sheet		**743.06**	**630.66**
Notes on Accounts	V		
The Schedules referred to above and the notes thereon			

SCHEDULES FROMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31.03.2010	As at 31.03.2009
		Rs.Lacs
SCHEDULE - A		
SHARE CAPITAL		
Authorised:		
7,00,00,000/6,00,00,000 equity shares of Rs.10/- each	7,000.00	6,000.00
Issued, Subscribed and Paid up:		
2,92,38,890/2,92,38,890 equity shares of Rs.10/- each fully paid up	**2,923.89**	**2,923.89**
SCHEDULE - B		
RESERVES & SURPLUS		
Share Premium Account	1,562.11	1,562.11
Opening Balance	2,114.08	1,483.42
Add: Profit for the year	743.06	630.66
	4,419.25	**3,676.19**
SCHEDULE - C		
SECURED LOANS		
From Banks & Financial Institutions	2,383.56	1,949.01
	2,383.56	**1,949.01**
SCHEDULE - D		
UNSECURED LOANS		
a. Loans from others	2,621.99	1,052.88
b. Optionally Convertible Debentures	27.56	27.56
c. Loans from directors	58.87	-
d. Overdraft accounts	-	13.17
e. Deferred Credits	1,421.72	1,882.20
	4,130.14	**2,975.81**
	4,130.14	**2,975.81**

SCHEDULE - E

DEFERRED TAX ASSET - NET

a. Depreciation - Liability	48.68	27.73
b. MAT - Asset	-	55.00
	48.68	**(27.27)**

SCHEDULE - G

INVESTMENTS

Investments in Mutual Funds	25.00	10.50
Franklin Templeton Fixed Tenure Fund 100,000	**25.00**	**10.50**
units @ Rs 10/- each}		

SCHEDULE - H

INVENTORIES

Closing Stock	369.90	493.53
Stock in hand at agent	0.93	1.94
(at cost and as certified by the Management)	**370.83**	**495.47**

SCHEDULE - I

SUNDRY DEBTORS

(Unsecured and considered good)		
a. Debts outstanding for a period exceeding 6 Months	2,259.20	1,381.41
b. Other debts	5,010.16	4,031.46
	7,269.36	**5,412.87**

		Rs.Lacs
SCHEDULE - J		
CASH & BANK BALANCES		
a. Cash on hand	11.65	19.63
b. Cheques on hand	183.64	190.72
c. With Banks - in Current Account	1,679.29	76.49
- in Deposit Account	537.43	320.07
	2,412.01	**606.91**
SCHEDULE - K		
LOANS AND ADVANCES (Unsecured and considered good)		
Advances (Recoverable in cash or kind or for value to be received)		
a. Deposits & Advances (Govt & others)	756.43	704.32
b. Staff Advances	6.52	14.42
c. Prepaid Taxes	13.98	12.03
d. Intercorporate Loans	108.17	48.54
	885.10	**779.31**
SCHEDULE - L		
OTHER CURRENT ASSETS		
Deposit-Earnest Money & Others	803.41	637.45
	803.41	**637.45**
SCHEDULE - M		
CURRENT LIABILITIES		
Sundry Creditors		
- Trade & Others	3,276.43	2,316.26
- Advance received for supply of services	-	187.06
- Outstanding Liabilities	730.14	516.24
- Unclaimed dividend	5.19	2.82
- Other Liabilities	305.28	155.85
	4,317.04	**3,178.23**
SCHEDULE - N		
PROVISIONS		
- Provision for Taxation & FBT	277.57	250.88
- Proposed Dividend	146.19	146.19
- Provision for tax on proposed dividend	24.86	24.86
	448.62	**421.93**
SCHEDULE - O		
MISCELLANEOUS EXPENDITURE		
Issue Expenses	80.17	82.30
Less: Written off during the year	7.26	6.46
	72.91	**75.84**

SCHEDULE - P
INCOME FROM OPERATIONS

Sales & Services	21,336.79	19,981.26
	21,336.79	**19,981.26**

SCHEDULE - Q
OTHER INCOME

Interest Income	6.60	45.42
Other Income	26.96	82.89
Exchange Fluctuation	-	57.45
Profit on sale of assets	20.90	-
	54.46	**185.76**

SCHEDULE - R
INCREASE/DECREASE IN STOCK

Opening Stock	495.47	609.80
Purchases/Services	15,674.18	13,994.79
Less: Closing Stock	370.82	495.47
	15,798.83	**14,109.12**

SCHEDULE - S
EMPLOYEES COST

Salaries & Wages	2,460.67	3,057.75
Managerial Remuneration	-	21.92
Employer's Contribution to PF, ESI	150.36	161.85
Staff Welfare and recruitment	58.02	84.55
	2,669.05	**3,326.07**

SCHEDULE - T
ADMINISTRATIVE, SELLING & OTHER EXPENSES

Communication Expenses	133.34	155.53
Rent, Rates & Taxes	285.91	288.46
Business Development expenses	78.42	129.75
Offshore Office expenses	-	65.69
Travelling & Conveyance	265.51	211.02
General Expenses	34.58	66.20
Printing & Stationery	22.36	33.14
Repairs & Maintenance		
- Vehicle Maintenance	7.09	5.79
- Office Maintenance	65.36	62.98
- Computer maintenance	0.69	1.01
- Others	28.41	14.38

Professional & Legal Expenses	51.79	86.16
Donations	-	2.58
Electricity Expenses	58.99	58.45
Insurance	22.61	20.56
Issue Expenses written off	7.26	6.46
Audit Fees	14.63	14.41
Advertisement	4.29	8.28
Transportation & Freight	35.66	40.71
Bad debts written off	49.24	1.23
Loss on sale of assets	2.07	-
	1,168.21	**1,272.79**

SCHEDULE - U

FINANCE CHARGES

Interest & Bank Charges	361.43	391.33
	361.43	**391.33**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

		2009-2010	2008-2009
Cash flow from operating activities			
Net Profit before tax		1,027.47	828.68
Adjustments for			
Depreciation		227.86	239.03
Miscellaneous expenses written off		7.26	6.46
Interest Income		(6.60)	(45.42)
Profit on sale of assets		(20.90)	-
Loss on sale of assets		2.07	-
Other income		(26.96)	(82.89)
Interest paid		361.43	391.33
Exchange fluctuation		138.40	(57.45)
Prior Period item		19.19	-
Operating profit before working capital changes		1,729.22	1,279.74
Adjustments for increase/ (-) decrease in			
Receivables		(1,856.49)	(1,138.24)
Loans, advances, other current assets		(271.75)	(681.77)
Inventories		124.64	114.33
Trade payables/provisions		1,165.50	358.07
Cash generated from/(used in) operations		891.12	(67.87)
Adjustments for Misc. Exp. Written off		(4.33)	(3.38)
Interest Income		6.60	45.42
Exchange fluctuation		(138.40)	57.45
Foreign Currency Translation Reserve		200.00	-
Other income		26.96	82.89
Taxes paid		(56.60)	(66.67)
Net cash from operating activities	**A**	**925.35**	**47.84**
Cash flow from investing activities:			
Acquisition of subsidiaries		-	(2,380.29)
Purchase of Fixed Assets		(245.20)	(476.42)
Sale/withdrawal of Fixed Assets		163.50	5.31
Withdrawal of depreciation		(109.22)	(1.65)
Investment in mutual funds		(14.50)	-
Net cash flow from/(used in) investing activities	**B**	**(205.42)**	**(2,853.05)**
Cash flow from financing activities:			
Long term borrowings (Net)		434.55	(546.98)

Short term borrowings (Net)		1,154.33	2,758.65
Share Issue		9.94	0.99
Dividend including Distribution tax		(171.05)	(171.05)
Profit on sale of assets		20.90	-
Loss on sale of assets		(2.07)	-
Interest paid		(361.43)	(391.33)
Net cash from financing activities	**C**	**1,085.17**	**1,650.28**
Net increase/decrease in cash and cash equivalents		**1,805.10**	**(1,154.93)**
Cash & Cash equivalents (Opening Balance)		606.91	1,761.84
Cash & Cash equivalents (Closing Balance)		2,412.01	606.91

Notes:

1. Previous year figures have been re-arranged/regrouped wherever necessary

2. Figures in bracket represents outflow

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010
SCHEDULE - V

1. GENERAL INFORMATION

Info-Drive Software Limited (the Company) is a juristic person under the Companies Act, 1956. The address of its Registered Office and principal place of business is Buhari Buildings, No.3, Moores Road, Chennai 600 006. The principal activities of the Company and its subsidiaries (the Group) are computer software, business process outsourcing (BPO), hardware and software consultancy services.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the provisions of the Companies Act, 1956 and on the going-concern basis. The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard on Consolidated Financial Statements issued by the ICAI.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired during the year are included in the consolidated financial statements.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the holding company. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Minority interests in the net assets on consolidation are disclosed separately in the Balance Sheet.

b) Business combinations

The acquisition of subsidiaries have been based on the cost that are measured at the aggregate of the fair values on the date of exchange of assets given, liabilities incurred or assumed, plus any costs directly attributable to the business combination. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

c) Goodwill

Goodwill arising on the acquisition of subsidiaries represent the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries and is recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The exchange translations and fluctuations arising on consolidation are adjusted against Goodwill.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating divisions expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts. Revenues from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.

e) Software services

Where the outcome of a turnkey contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

f) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Currency Units, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising if any on the retranslation of non-monetary items when carried at fair value would be included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Currency Units using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the closing exchange rates for the year.
Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

g) Retirement Benefits

Short term employee benefits are measured at cost. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

h) Taxation

Income Tax

Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

i) Property, plant and equipment
Plant and Machinery, Fixtures and equipment are stated at carrying amounts less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method. The gain or loss arising on

the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

j) Patents and trademarks

There are no patents and trademarks owned by the company.

k) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where
it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct costs and those overheads that have been incurred in bringing the inventories to their present condition. Net realisable value represents the estimated realisation less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

m)Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Investments in Mutual Funds are stated at the lower of the cost and fair value.

n)Trade receivables

Trade receivables are measured at initial recognition cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. No interest is charged on trade receivables till the date of recovery. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

o)Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

p)Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

q)Trade payables

Trade payables are initially measured at fair value.

r) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

s) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

t) Share-based payments

The Group has not issued any equity-settled and cash-settled share-based payments to any employee.

u) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in the notes, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

v) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was Rs.55.37Crores (Rs.56.67Crores). No impairment has been recognised in view of estimated future cash flows from the activities to which the goodwill has been allocated.

w) Indenting Business

The total revenue earned include revenues from indenting business initiated with HP, Singapore during the year under review.

x) No Provision made

Company has filed a case against an entity for recovery of USD 10,65,714/-towards services rendered, the case has been decided in favour of the company. However the entity has gone for an appeal. The company is

confident of winning the case and consequently no provision has been made in the books of accounts of that company (subsidiary in
Malaysia).

y) Reconciliation of balances between subsidiaries

Reconciliation of balances between subsidiaries in Malaysia and Dubai are under final stages of completion

z) Debtors, Loans & Advances

Confirmation of balances from Debtors, Creditors and for Loans and Advances are yet to be received in few cases though the company has sent letter of confirmation to them. The balances adopted are as appearing in the books of accounts of the company.

aa) Bank balances and cash

Bank balances and cash comprise cash held by the Group and bank deposits. The carrying amount of these assets approximates their fair value.

ab) Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Minority Interest

Minority interest is that part of the net profit attributable to third party ownership interests in the company's subsidiaries. The step subsidiaries' minority interest has been reclassified / adjusted against other subsidiaries' minority interest wherever necessary.

3. BUSINESS SEGMENT

The Company operates in only one segment viz Information Technology.

4. INCOME TAX EXPENSES

Domestic Income tax is calculated at the effective rate on the assessable profit for the year.Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary equity holders of the parent entity is based on the following data Earnings figures are calculated as follows:

Rs. In lacs

	Year ended 31.03.2010	**Year ended 31.03.2009**
Profit for the year attributable to equity holders of the parent	Rs.914.11 Lacs	Rs.801.71 Lacs
Number of shares	2,92,38,890	2,92,38,890

	Year ended 31.03.2010	Year ended 31.03.2009
Earnings per share before extraordinary item	3.13	2.74
Earnings per share after extraordinary items	3.13	2.74

6. SUBSIDIARIES

Details of the Company's subsidiaries as at 31st March, 2010 are as follows:

Name of the Subsidiary	Place of Incorporation and operation	Proportion of ownership and interest	Type of Business
Precision Infomatic (Madras) Pvt Ltd	India	51%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Systems Sdn Bhd.	Malaysia	100%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Software Inc.	USA	100%	IT Consulting, Software Development, Hardware, System Integration and BPO services
Info -Drive Software Pte Ltd. Singapore 100%	Singapore	100%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Software LLC	Dubai	80%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Software Limited	Canada	100%	IT Consulting, Software Development, hardware and System Integration and BPO Services

7. TRADE AND OTHER PAYABLES

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates their fair value.

8. CONTINGENT LIABILITIES NOT PROVIDED FOR:

1. Financial guarantees given to banks aggregates to Rs.327 lacs as at March 31, 2010 (March 31, 2009 – Rs.1,556 lacs)

2. Bills discounted with Company's bankers for Rs.486 lacs (Rs Nil on 31st March, 2009)

9. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company does not have a share option scheme for any employees of the Group.

10. RELATED PARTY TRANSACTIONS

The transactions between the company and its subsidiaries which are related parties of the company have been eliminated on consolidation.

11. RECLASSIFICATION AND REGROUPING OF ACCOUNTS

Certain accounts in the financial statements for the year ended 31st March, 2009 have been reclassified and regrouped to conform to the presentation in the financial statements for the year ended 31st March, 2010.

12. APPROVAL OF FINANCIAL STATEMENTS

The present financial statements drawn in accordance with Generally Accepted Accounting Principles in India were approved by the Board of Directors and authorised for issue on 27th August 2010

CONSOLIDATED FINANCIAL STATEMENT

To the Board of Directors of INFO-DRIVE SOFTWARE LIMITED

1. I, M/s. K.S.Reddy Associates, Chartered Accountants have audited the attached Consolidated Balance Sheet, Consolidated Profit and Loss Account and Consolidated Cash Flow statement of Info-Drive Software Limited ("the Company") and its subsidiaries, (hereinafter together referred to as "the Group") as at 31st March, 2009 & 31st March, 2008, the standalone Balance Sheet, standalone Profit and Loss Account and standalone Cash Flow statement for the year ended 31st March, 2009, 31st March, 2008 & 31st March, 2007 respectively which 1 had signed under reference to this report cumulatively referred to as "Financial Statements". These Financial Statements are the responsibility of the management of the Company and have been prepared by the management on the basis of separate financial statements and other financial information relating to the separate entities of the Group. My responsibility is to express an opinion on these consolidated and standalone financial statements based on my audit.

2. I had conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that, I plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

3. The financial statements of Subsidiaries which have not been audited by me, reflect total assets of Rs.7,656.88 lacs & Rs.5.021.73 lacs as at 31st March, 2009 and 31st March, 2008 respectively and total revenues of Rs.19,127.92 lacs & Rs.19498.24 lacs as at 31st March, 2009 and 31st March, 2008 respectively. These financial statements have been audited by other auditors, whose reports have been furnished to me, and my opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.

4. I report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements'.

5. On the basis of the information and explanations given to me and on consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid consolidated entities, in my opinion, the Consolidated and Standalone Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

    (a) In the case of the Consolidated Balance Sheet of the Group as at 31st March, 2009 and 31" March 2008

    (b) In the case of the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement of the Group for the year ended 31st March, 2009 and 31" March 2008

    (c) In the case of the accompanying notes to consolidated financial statements of the Group along with accounting policies for the year ended 31st March 2009 and 31st March 2008

    (d) In the case of the Standalone Balance Sheets of Info-Drive Software Limited as at 31st March 2009, 31st March, 2008 & 31st March 2007

(e) In the case of the Standalone Profit and Loss Accounts and Cash Flow Statements for the year ended 31st March, 2009, 31st March, 2008 & 31st March 2007

(f) In the case of the accompanying notes to accounts to Standalone Financial Statements along with accounting policies for the year ended 31st March, 2009, 31st March, 2008 and 31st March 007.

6. In the Consolidated financial statements the following subsidiaries are included.

Name of the Subsidiary	Percentage of holding as on		
	31st March 2009	31st March 2008	31st March, 2007
Precision lnfomatic Madras Private Limited. Chennai	51%	51%	N.A.
Info-Drive Systems Sdn Bhd, Malaysia	100%	100%	N.A.
Info-Drive Software LLC, Dubai	80%	80%	N.A.
Info-Drive Software Inc., USA	100%	100%	N.A.
Info-Drive Software Pte., Singapore	100%	100%	N.A.
Info-Drive Software Limited, Canada	100%	N.A	N.A.
Technoprism LLC, Subsidiary of Info- Drive Software Inc., USA	51%	N.A	N.A.

N.A – Not Applicable

7. This report is for inclusion in the preliminary/final placement document being issued by the Company in connection with the proposed placement of equity shares under Chapter VIII read with Schedule XVIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and is not to be used, referred to or distributed for any other purpose without my prior written consent.

For K.S.Reddy Associates
Chartered Accountants
(F.R.No.009103S)

Place: Chennai
Date: 06/07/2010

Sd/-
K.Subba Reddy (Proprietor)
Membership No.: 208754

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009 & 2008

Rs. In Lacs

	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS:		**Rs. lacs**	**Rs. lacs**
SHARE HOLDERS' FUNDS			
Share Capital	**A**	2,923.89	2,923.89
Advance to Share Capital		55.13	54.14
Reserves & Surplus	**B**	3,676.19	2,901.10
LOAN FUNDS			
Secured Loans	**C**	1,949.01	2,495.99
Unsecured Loans	**D**	2,975.81	217.16
Minority Interest		(26.83)	18.55
Deferred Tax Liability	**E**	-	22.23
Total		**11,553.20**	**8,633.06**
APPLICATION OF FUNDS:			
FIXED ASSETS	**F**		
Gross Block		2,231.15	1,724.53
Less: Depreciation		790.56	548.22
Net Block		1,440.59	1,176.31
Goodwill (on consolidation)		5,667.15	3,228.16
INVESTMENTS			
In Mutual Funds	**G**	10.50	10.50
Deferred Tax Asset	**E**	27.27	-
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	**H**	495.47	609.80
b. Sundry Debtors	**I**	5,412.87	4,274.63
c. Cash & Bank Balances	**J**	606.91	1,761.84
d. Loans & Advances	**K**	779.31	557.34
e. Other Current Assets	**L**	637.45	177.65
		7,932.01	7,381.26
LESS: CURRENT LIABILITIES			
a. Current Liabilities	**M**	3,178.23	2,772.05
b. Provisions	**N**	421.93	470.04
Net Current Assets		4,331.85	4,139.17
MISCELLANEOUS EXPENDITURE			
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)	**O**	75.84	78.92
		75.84	78.92
		11,553.20	**8,633.06**

Notes on Accounts

The Schedules referred to above and the notes thereon form an integral part of these financial statements

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 & 2008

	Schedule	2008-2009	2007-2008
		Rs lacs	Rs lacs
INCOME:			
Income from operations	**P**	19,981.26	19,316.15
Other Income	**Q**	185.76	94.21
		20,167.02	**19,410.36**
EXPENDITURE:			
Cost of Goods Sold	**R**	14,109.12	14,688.60
Employees Cost	**S**	3,326.07	2,014.92
Administrative, Selling & Other Expenses	**T**	1,272.79	1,108.68
Finance Charges	**U**	391.33	283.77
Depreciation	**F**	239.03	202.66
		19,338.34	**18,298.63**
Profit for the year before taxation		828.68	1,111.73
Less: Goodwill written off		-	18.34
		828.68	1,093.39
Less: Provision for Taxation incl. FBT		66.66	315.45
Provision for Deferred Tax		(49.49)	5.51
		811.51	772.43
Less: Minority Interest		9.80	-
		801.71	772.43
Less: Proposed dividend including distribution tax		171.05	174.95
		630.66	597.48
Add: Profit/(Loss) brought forward from previous year		74.21	(523.27)
Balance carried to Balance Sheet		**704.87**	**74.21**

Notes on Accounts

	As at 31.03.2009 Rs. lacs	As at 31.03.2008 Rs. lacs
SCHEDULE - A		
SHARE CAPITAL		
Authorised:		
6,00,00,000/6,00,00,000 equity shares of Rs.10/- each	6,000.00	6,000.00
Issued, Subscribed and Paid up:		
2,92,38,890 equity shares of Rs.10/- each fully paid up	**2,923.89**	**2,923.89**
SCHEDULE - B		
RESERVES & SURPLUS		
Share Premium Account	1,562.11	1,562.11
Opening Balance	1,483.42	1,264.78
Add: Profit for the year	630.66	74.21
	3,676.19	**2,901.10**
SCHEDULE - C		
SECURED LOANS		
From Banks & Financial Institutions	1,949.01	2,495.99
	1,949.01	**2,495.99**
SCHEDULE - D		
UNSECURED LOANS		
a. Loans from others	1,052.88	125.33
b. Optionally Convertible Debentures	27.56	27.56
c. Loans from directors	-	64.27
d. Overdraft accounts	13.17	-
e. Deferred Credits	1,882.20	-
	2,975.81	**217.16**
SCHEDULE - E		
DEFERRED TAX ASSET - NET		
a. Depreciation - Liability	27.73	22.23
b. Mat - asset	55.00	-
	27.27	**22.23**
SCHEDULE - G		
INVESTMENTS		
Investments in Mutual Funds	10.50	10.50
Franklin Templeton Fixed Tenure Fund 100,000	**10.50**	**10.50**

units @ Rs 10/- each}		
SCHEDULE - H		
INVENTORIES		
Closing Stock	493.53	609.80
Stock in hand at agent	1.94	-
(at cost and as certified by the Management)	**495.47**	**609.80**
SCHEDULE - I		
SUNDRY DEBTORS		
(Unsecured and considered good)		
a. Debts outstanding for a period exceeding six months	1,381.41	895.15
b. Other debts	4,031.46	3,379.48
	5,412.87	**4,274.63**
SCHEDULE - J		
CASH & BANK BALANCES		
a. Cash on hand	19.63	8.85
b. Cheques on hand	190.72	-
c. With Banks - in Current Account	76.49	275.44
- in Deposit Account	320.07	1,477.55
	606.91	**1,761.84**
SCHEDULE - K		
LOANS AND ADVANCES (Unsecured and considered good)		
Advances (Recoverable in cash or kind or for value to be received)		
a. Deposits & Advances (Govt & others)	704.32	417.04
b. Staff Advances	14.42	1.15
c. Prepaid Taxes	12.03	11.99
d. Intercorporate Loans	48.54	127.16
	779.31	**557.34**
SCHEDULE - L		
OTHER CURRENT ASSETS		
Deposit-Earnest Money & Others	637.45	177.65
	637.45	**177.65**
SCHEDULE - M		
CURRENT LIABILITIES		
Sundry Creditors		
- Trade & Others	2,316.26	1,935.35
- Advance received for supply of services	187.06	147.25
- Outstanding Liabilities	516.24	183.01
- Unclaimed dividend	2.82	-
- Other Liabilities	155.85	506.44

	3,178.23	**2,772.05**

SCHEDULE - N		
PROVISIONS		
- Provision for Taxation & FBT	250.88	298.99
- Proposed Dividend	146.19	146.19
- Provision for tax on proposed dividend	24.86	24.86
	421.93	**470.04**
SCHEDULE - O		
MISCELLANEOUS EXPENDITURE		
Issue Expenses	82.30	85.38
Less: Written off during the year	6.46	6.46
	75.84	**78.92**
SCHEDULE - P		
INCOME FROM OPERATIONS		
Sales & Services	19,981.26	19,316.15
	19,981.26	**19,316.15**
SCHEDULE - Q		
OTHER INCOME		
Interest Income	45.42	51.29
Other Income	82.89	41.97
Exchange Fluctuation	57.45	(0.23)
Income from Mutual Funds	-	1.18
	185.76	**94.21**
SCHEDULE - R		
INCREASE/DECREASE IN STOCK		
Opening Stock	609.80	542.01
Purchases/Services	13,994.79	14,756.39
Less: Closing Stock	495.47	609.80
	14,109.12	**14,688.60**
SCHEDULE - S		
EMPLOYEES COST		
Salaries & Wages	3,057.75	1,855.20
Managerial Remuneration	21.92	-
Employer's Contribution to PF, ESI	161.85	93.96
Staff Welfare and recruitment	84.55	65.76
	3,326.07	**2,014.92**

SCHEDULE - T ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Communication Expenses	155.53	118.01
Rent, Rates & Taxes	288.46	235.06
Business Development expenses	129.75	132.40
Offshore Office expenses	65.69	-
Travelling & Conveyance	211.02	170.23
General Expenses	66.20	33.44
Printing & Stationery	33.14	34.90
Repairs & Maintenance		
- Vehicle Maintenance	5.79	3.65
- Office Maintenance	62.98	34.14
- Plant & Machinery	1.01	7.71
- Others	14.38	18.04
Professional & Legal Expenses	86.16	163.76
Donations	2.58	0.14
Electricity Expenses	58.45	51.16
Insurance	20.56	11.07
Issue Expenses written off	6.46	6.46
Audit Fees	14.41	15.89
Advertisement	8.28	13.48
Transportation & Freight	40.71	39.89
Bad debts written off	1.23	19.25
	1,272.79	**1,108.68**
SCHEDULE - U		
FINANCE CHARGES		
Interest & Bank Charges	391.33	283.77
	391.33	**283.77**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009 & 2008

		2008-2009 Rs. lacs	2007-2008 Rs. lacs
Cash flow from operating activities			
Net Profit before tax		828.68	1,111.73
Adjustments for			
Depreciation		239.03	202.66
Miscellaneous expenses written off		6.46	6.71
Interest Income		(45.42)	(51.29)
Interest paid		391.33	283.01
Goodwill written off		-	(18.34)
Other income		(140.34)	(42.92)
Operating profit before working capital changes		1,279.74	1,491.56
Adjustments for increase/ (-) decrease in			
Receivables		(1,138.24)	(1,064.92)
Loans, advances, other current assets		(681.77)	(456.48)
Inventories		114.33	(121.54)
Trade payables/provisions		358.07	878.89
Cash generated from/(used in) operations		(67.87)	727.51
Interest Income		45.42	51.29
Other income		140.34	42.92
Taxed paid		(66.67)	(178.72)
Net cash from operating activities	**A**	**51.22**	**643.00**
Cash flow from investing activities:			
Acquisition of subsidiaries		(2,380.29)	(3,466.19)
Purchase of Fixed Assets		(476.42)	(753.59)
Sale/withdrawal of Fixed Assets		5.31	-
Withdrawal of depreciation		(1.65)	-
Net cash flow from/(used in) investing activities	**B**	**(2,853.05)**	**(4,219.78)**
Cash flow from financing activities:			
Long term borrowings (Net)		(546.98)	817.35
Short term borrowings (Net)		2,758.65	23.80
Share Issue		0.99	4,932.01
Dividend including Distribution tax		(171.05)	(174.95)
Interest paid		(391.33)	(283.00)
Issue related expenses		(3.38)	(43.19)
Net cash from financing activities	**C**	**1,646.90**	**5,272.02**
Net increase/decrease in cash and cash equivalents		**(1,154.93)**	**1,695.24**
Cash & Cash equivalents (Opening Balance)		1,761.84	66.60
Cash & Cash equivalents (Closing Balance)		606.91	1,761.84

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rs. In lacs

SCHEDULE - F **FIXED ASSETS**

Net Block as on 01.04.2008	Particulars	Gross Block as on 01.04.2008	Additions	Deletion	Translation exchange difference	Gross Block as on 31.03.2009	Up to 01.04.2008	For the year	Withdrawn	Translation exchange difference	Total	Net Block as on 31.03.2009
22.46	Plant & Machinery	37.49	0.08	-	-	37.57	15.03	6.33	-	-	21.36	16.21
239.80	Furniture & Fittings	334.68	20.96	0.35	6.49	361.78	94.88	55.45	0.35	1.72	151.70	210.08
118.04	Office Equipments	159.86	15.68	-	2.25	177.79	41.81	20.24	-	0.68	62.73	115.06
2.47	Electrical Installations	2.50	-	-	-	2.50	0.03	0.12	-	-	0.15	2.35
188.89	Buildings	193.38	-	-	21.80	215.18	4.50	5.01	-	0.51	10.02	205.16
126.08	Vehicles	239.01	21.48	3.87	4.38	261.00	112.93	36.66	-	1.97	151.56	109.44
221.04	Systems	484.30	118.48	1.09	0.59	602.28	263.26	100.58	1.30	0.08	362.62	239.66
24.34	Software Package	27.70	21.59	-	-	49.29	3.36	4.69	-	-	8.05	41.24
233.19	Intangible Assets	245.61	92.01	-	-	337.62	12.42	9.95	-	-	22.37	315.25
-	Advance for Assets	-	186.14		-	186.14	-	-	-	-	-	186.14
1,176.31		1,724.53	476.42	5.31	35.51	2,231.15	548.22	239.03	1.65	4.96	790.56	1,440.59

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rs. In lacs

SCHEDULE - E **FIXED ASSETS**

Net Block as on 01.04.2007	Particulars	Gross Block as on 01.04.2007	Additions	Withdrawn	Gross Block as on 31.03.2008	Depreciation				Net Block as on 31.03.2008
						Upto 01.04.2007	For the year	Withdrawn	Total	
5.26	Plant & Machinery	18.60	18.89	-	37.49	13.34	1.69	-	15.03	22.46
207.02	Furniture & Fittings	257.77	83.46	11.29	329.94	50.75	54.00	11.29	93.46	236.48
77.36	Office Equipments	127.00	63.44	25.84	164.59	49.64	18.38	24.79	43.23	121.37
-	Electrical Installations	-	2.50	-	2.50	-	0.03	-	0.03	2.47
0.13	Buildings	0.60	193.38	0.60	193.38	0.60	4.50	0.60	4.50	188.88
94.27	Vehicles	176.29	66.45	3.73	239.01	82.03	32.42	1.51	112.93	126.08
175.68	Systems	357.04	127.86	0.60	484.30	181.36	82.07	0.17	263.26	221.04
18.37	Software Package	19.62	9.33	1.25	27.70	1.25	3.36	1.25	3.36	24.34
112.50	Intangible Assets	118.71	145.24	18.34	245.61	6.21	6.21	-	12.42	233.19
690.58		1,075.64	710.54	61.65	1,724.53	385.18	202.66	39.62	548.22	1,176.31

INFO-DRIVE SOFTWARE LTD

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2009 & 31st March,2008

SCHEDULE - V

1. GENERAL INFORMATION

Info-Drive Software Limited (the Company) is a juristic person under the Companies Act, 1956. The address of its Registered Office and principal place of business is Buhari Buildings, No.3, Moores Road, Chennai 600 006. The principal activities of the Company and its subsidiaries (the Group) are computer software, business process outsourcing (BPO), hardware and software consultancy services.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the provisions of the Companies Act, 1956 and on the going-concern basis.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard on Consolidated Financial Statements issued by the ICAI.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the holding company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets on consolidation are disclosed separately in the Balance Sheet.

b) Business combinations

The acquisition of subsidiaries have been based on the cost that are measured at the aggregate of the fair values on the date of exchange of assets given, liabilities incurred or assumed, plus any costs directly attributable to the business combination. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

c) Goodwill

Goodwill arising on the acquisition of subsidiaries represent the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries and is recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The exchange translations and fluctuations arising on consolidation are adjusted against Goodwill.
For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating divisions expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.
Revenues from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.
Software services
Where the outcome of a turnkey contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

e) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Currency Units, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising if any on the retranslation of non-monetary items when carried at fair value would be included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Currency Units using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the closing exchange rates for the year.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

f) Retirement benefits

Short term employee benefits are measured at cost.
Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

g) Taxation

Income Tax
Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

h) Property, plant and equipment

Plant and Machinery, Fixtures and equipment are stated at carrying amounts less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method.
The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

i) Patents and trademarks

There are no patents and trademarks owned by the company.

j) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct costs and those overheads that have been incurred in bringing the inventories to their present condition. Net realisable value represents the estimated realisation less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

l) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Investments in Mutual Funds are stated at the lower of the cost and fair value.

m) Trade receivables

Trade receivables are measured at initial recognition cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. No interest is charged on trade receivables till the date of recovery. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

n) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

o) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

p) Trade payables

Trade payables are initially measured at fair value.

q) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

r) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

s) Share-based payments

The Group has not issued any equity-settled and cash-settled share-based payments to any employee.

t) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in the notes, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

u) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was Rs.56.67 Crores. No impairment has been recognised in view of estimated future cash flows from the activities to which the goodwill has been allocated.

3. BUSINESS SEGMENT

The Company operates in only one segment viz Information Technology.

4. INCOME TAX EXPENSES

Domestic Income tax is calculated at the effective rate on the assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary equity holders of the parent entity is based on the following data
Earnings figures are calculated as follows:

	Year ended 31.03.2009	Year ended 31.03.2008
Profit for the year attributable to equity holders of the parent	Rs.801.71 Lacs	Rs.772.43 Lacs
Number of shares	2,92,38,890	2,92,38,890
Earnings per share before extraordinary item	2.74	2.70
Earnings per share after extraordinary items	2.74	2.64

6. SUBSIDIARIES

Details of the Company's subsidiaries as at 31 March, 2009 & 31st March,2008 are as follows:

Name of the Subsidiary	Place of Incorporation & Operation	Proportion of ownership & interest	Type of business
Precision Infomatic (Madras) Pvt Ltd @	India	51%	Computer Consulting, hardware and software
Info-Drive Systems Sdn Bhd.	Malaysia	100%	Computer Consulting, hardware and software
Info-Drive Software Inc. #	USA	100%	Computer Consulting, hardware and Software
Info –Drive Software Pte Ltd.	Singapore	100%	Computer Consulting, hardware and Software
Info-Drive Software LLC	Dubai	80%	Computer Consulting, hardware and Software
Info-Drive Software Limited *	Canada	100%	Computer Consulting, hardware and Software

Notes:

1. @ Precision Infomatic (M) Pvt Ltd has the following subsidiaries
   a. Precision Techconet Pvt.Ltd.
   b. Precision Techserve Pvt.Ltd.
   c. Legend Systems Pvt.Ltd.
   d. Precision Galaxy Pvt.Ltd.

2. # Info-Drive Software Inc. has Technoprism LLC as its 51% subsidiary

3. * Only for 31st March 2009 (for Canada)

a) Bank balances and cash

Bank balances and cash comprise cash held by the Group and bank deposits. The carrying amount of these assets approximates their fair value.

b) Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

7. TRADE AND OTHER PAYABLES

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.
The directors consider that the carrying amount of trade payables approximates their fair value.

8. CONTINGENT LIABILITIES

Financial guarantees given to banks aggregates to Rs.1556 lacs as at 31st March 2009 (31st March 2008 - Rs 82 lacs)

9. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company does not have a share option scheme for any employees of the Group.

10. RELATED PARTY TRANSACTIONS

The transactions between the company and its subsidiaries which are related parties of the company have been eliminated on consolidation.

11. RECLASSIFICATION AND REGROUPING OF ACCOUNTS

Certain accounts in the financial statements for the year ended 31st March, 2008 have been reclassified and regrouped to conform to the presentation in the financial statements for the year ended 31st March, 2009.

STANDALONE AUDITED FINANCIALFOR FOR THREE MONTHS PERIOD ENDED JUNE 30, 2010

BALANCE SHEET AS AT 30th JUNE 2010

		As at 30.06.2010
SOURCES OF FUNDS:	-	
SHARE HOLDERS' FUNDS		
Share Capital		2,923.89
Reserves & Surplus		2,218.45
LOAN FUNDS		
Secured Loans		377.55
Unsecured Loans		439.38
Deferred tax Liability		21.59
Total		**5,980.86**
APPLICATION OF FUNDS:	-	
FIXED ASSETS		
Gross Block		531.50
Less: Depreciation		131.65
Net Block	**I**	**399.85**
INVESTMENTS		
In subsidiary companies - Un quoted		3,670.46
Deferred tax Asset	II	-
CURRENT ASSETS, LOANS & ADVANCES		
a. Inventories		16.15
b. Sundry Debtors		1,287.46
c. Cash & Bank Balances		702.07
d. Loans & Advances		739.24
		2,744.93
LESS: CURRENT LIABILITIES		
a. Current Liabilities		701.67
b. Provisions		180.65
Net Current Assets	**III**	**1,862.60**
MISCELLANEOUS EXPENDITURE		
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)		47.95
Profit and Loss Account		
	IV	47.95
Total = I + II + III + IV		**5,980.86**

PROFIT & LOSS ACCOUNT FOR THE QUARTER ENDED 30th JUNE 2010

	Schedule	30.06.2010
INCOME:		
Income from operations	**O**	308.54
Other Income	**P**	13.70
		322.24
EXPENDITURE:		
Cost of Goods Sold/Services	**Q**	88.92
Payments to Employees	**R**	44.90
Administrative, Selling & Other Expenses	**S**	28.33
Finance Charges	**T**	31.48
Exchange Fluctuation		(47.27)
Depreciation	**F**	6.11
		152.47
Profit for the period before taxation		169.77
Less: Provision for Taxation including deferred tax		4.12
		165.65
Less: Provision for dividend including distribution tax		-
		165.65

CASH FLOW FOR THE QUARTER ENDED 30th JUNE 2010

	30.06.2010
Cash flow from operating activities	
Net Profit before taxes	169.77
Adjustments for	
Depreciation	6.11
Interest Income	(13.70)
Misc. Exp. Written off	1.80
Interest paid	31.48
Exchange Fluctuation	(47.27)
Operating profit before working capital changes	148.19
Adjustments for increase/ (-) decrease in	
Sundry Debtors	(309.29)
Loans & advances	(60.08)
Inventories	-
Current Liabilities & Provisions	(39.03)
Cash generated from/(used in) operations	(260.21)
Adjustment for Misc. Exp. written off	(1.74)
Exchange Fluctuation	47.27
Taxes paid	(4.12)
Net cash from operating activities	**(218.80)**
B. Cash flow from investing activities:	
Investment in Subsidiary Companies	-
Purchase/advance for Fixed Assets	(0.13)
Interest Income	13.70
Interest paid	(31.48)
Net cash flow from/(used in) investing activities	**(17.90)**
C. Cash flow from financing activities:	
Proceeds from Long term borrowings (Net)	(9.79)
Proceeds from Short term borrowings (Net)	40.32
Net cash from financing activities	**30.53**
Net increase/decrease in cash and cash equivalents	(206.17)
Cash & Cash equivalents (Opening Balance)	908.24
Cash & Cash equivalents (Closing Balance)	702.07
Component of Cash and Cash equivalents	
Cash on hand	2.90
Balance with Banks	
i. Available with the company for day to day operations	694.02
ii. Amount available in unclaimed dividend accounts	5.16

STANDALONE FINANCIAL STATEMENT

To the members of **INFO-DRIVE SOFTWARE LIMITED**

I have audited the attached Balance Sheet of INFO-DRIVE SOFTWARE LIMITED, as at March 31, 2010 and also the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on the audit.

I conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As required by the Companies (Auditor's Report) Order, 2003, (the Order) issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to my comments in the Annexure referred to above, I report that:

a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;

b) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books;

c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In my opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

e) On the basis of written representations received from the directors and taken on record by the Board of Directors, I report that none of the directors is disqualified as on March 31, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010
ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
iii) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

For K. S. REDDY ASSOCIATES
Chartered Accountants
FRN 009013S

Chennai

K. SUBBA REDDY
(PROPRIETOR)
M.No.208754

27.08.10

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE
TO THE MEMBERS OF INFO-DRIVE SOFTWARE LIMITED

i) a) The company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.

b) As explained to me, all the fixed assets have been physically verified by the management during the year.

c) There were no substantial disposals of fixed assets during the year.

ii) a) The inventory have been physically verified by the management at reasonable intervals and in my opinion the frequency of verification is reasonable.

b) In my opinion and according to the information and explanations given to me, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.

c) The company is maintaining proper records of inventory and the discrepancies between the physical stocks and the book stocks on physical verification and has been properly dealt with in the books of account.

iii) The company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.

iv) In my opinion and according to the information and explanations given to me there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services.

v) a) According to the information and explanations given to me, I am of the opinion that the particulars of contracts or arrangements need to be entered into the register maintained under section 301 of the Act have been so entered.

b) In my opinion and according to the information and explanations given to me, there are no transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) The company has not accepted any deposits from the public as per section 58A, 58AA or any other relevant provisions of the Act.

vii) The company has an internal audit system commensurate with the size and nature of its business.

viii) The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 for the company.

ix) a) According to the records, information and explanations provided to me, the company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax and any other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2010 for a period of more than six months from the date they become payable.

b) According to the information and explanations given to me, there are no dues of sales-tax, income-tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

x) In my opinion and according to the information and explanations given to me, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses in the immediately preceding financial year.

xi) Based on my audit procedures and on the information and explanations given by the management, the company has not defaulted in repayment of dues to any financial institution or bank.

xii) Based on my examination and according to the information and explanations given to me, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The company is not a chit/nidhi/mutual benefit fund/society and clause xiii of the Order is not applicable.

xiv) The company is not dealing or trading in shares, securities, debentures and other investments.

xv) The guarantees given in connection with the loans taken by the subsidiaries from Banks have been discharged.

xvi) In my opinion, the term loans have been applied for the purpose for which they were raised.

xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that no funds raised on short term have been used for long term investment. No long term funds have been used to finance short term assets.

xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act.

xix) The company did not have any outstanding debentures during the year.

xx) The company has not raised any money by public issue during the year.

xxi) Based on the audit procedures performed and information and explanations given to me by the management, I report that no fraud on or by the company has been noticed or reported during the course of my audit.

For K. S. REDDY ASSOCIATES
CharteredAccountants
FRN 009013S

Chennai
(PROPRIETOR)
27.08.10

K. SUBBA REDDY
M.No.208754

BALANCE SHEET AS AT 31ST MARCH 2010

Rs.Lacs

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS:			
SHARE HOLDERS' FUNDS`			
Share Capital	**A**	2,923.89	2,923.89
Reserves & Surplus	**B**	2,017.46	1,764.81
LOAN FUNDS			
Secured Loans	**C**	387.34	37.55
Unsecured Loans	**D**	475.47	379.68
Deferred Tax Liability	**E**	21.59	-
Total		**5,825.75**	**5,105.93**
APPLICATION OF FUNDS:			
FIXED ASSETS	**F**		
Gross Block		531.37	428.88
Less: Depreciation		125.54	101.81
Net Block		405.83	327.07
INVESTMENTS			
In subsidiary companies - Un quoted	**G**	3,631.81	3,772.02
Deferred Tax Asset	**E**	-	38.01
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	**H**	16.15	17.17
b. Sundry Debtors	**I**	978.17	942.80
c. Cash & Bank Balances	**J**	908.24	203.37
d. Loans & Advances	**K**	679.16	470.67
		2,581.72	1,634.01
LESS: CURRENT LIABILITIES			
a. Current Liabilities	**L**	666.76	604.23
b. Provisions	**M**	176.54	228.33
Net Current Assets		1,738.42	801.45
MISCELLANEOUS EXPENDITURE			
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)	**N**	49.69	51.64
Profit and Loss Account		-	115.74
		49.69	167.38
Total	U	**5,825.75**	**5,105.93**
Notes on accounts			
The Schedules referred to above and the notes thereon form an integral part of these financial statements			

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

	Schedule	2009-2010 Rs lacs	2008-2009 Rs lacs
INCOME:			
Income from operations	**O**	1,638.45	1,364.84
Other Income	**p**	20.31	39.68
Exchange Fluctuation		-	57.04
		1,658.76	**1,461.56**
EXPENDITURE:			
Cost of goods sold/services (COGS)	**Q**	450.83	589.55
Employees Cost	**R**	190.96	164.05
Administrative, Selling & Other Expenses	**S**	132.05	134.29
Exchange Fluctuation		133.47	-
Finance Charges	**T**	55.14	18.58
Depreciation	**F**	23.73	21.14
		986.18	**927.61**
Profit for the year before taxation		672.58	533.95
Less: Provision for Taxation including FBT		6.34	57.80
Provision for Deferred Tax		4.60	(45.82)
Net Profit for the year		661.64	521.97
Less: Proposed dividend including distribution tax		171.05	171.05
		490.59	350.92
Balance brought forward from previous year (Loss)		(115.74)	(466.66)
Balance carried to Balance Sheet		**374.85**	**(115.74)**
Notes on accounts	**U**		
The Schedules referred to above and the notes thereon form an integral part of these financial statements			

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs.Lacs

	31.03.2010	31.03.2009
SCHEDULE - A	**Rs lacs**	**Rs lacs**
SHARE CAPITAL		-
Authorised:		
7,00,00,000/6,00,00,000 equity shares of Rs.10/- each	7,000.00	6,000.00
Issued, Subscribed and fully paid up:		
2,92,38,890/2,92,38,890 equity shares of Rs.10/- each fully paid up	**2,923.89**	**2,923.89**
SCHEDULE - B		
RESERVES & SURPLUS		
Share Premium Account	1,562.11	1,562.11
Foreign Currency Translation Reserve	80.50	202.70
Profit & Loss Account	374.85	
	2,017.46	**1,764.81**
SCHEDULE - C		
SECURED LOANS		
a. Union Bank of India	25.98	25.36
b. Union Bank of India - Term Loan	8.49	12.19
c. Axis Bank - CC A/c	352.87	-
(refer note h)	**387.34**	**37.55**
SCHEDULE - D		
UNSECURED LOANS		
a.Deferred Credits	101.17	332.33
b.Intercorporate Loans	374.30	47.35
(refer note w)	**475.47**	**379.68**

SCHEDULE - E

DEFERRED TAX BALANCES - NET

a. Depreciation - Liability	21.59	16.99
b. Minimum Alternate Tax - asset	-	55.00
-	**21.59**	**38.01**

SCHEDULE - G

INVESTMENTS

Wholly owned subsidiaries (Unquoted)		
Info-Drive Software Inc., USA		
(122,500/102,000 shares of $ 1 each fully paid up)	55.09	51.88
Info-Drive Systems Sdn Bhd., Malaysia		
(10,00,000 shares of RM 1 each fully paid up)	2,194.30	2,280.85
Info-Drive Software Pte Ltd., Singapore		
(205,600 shares of S $ 1 each fully paid up)	66.08	68.48
Info-Drive Software Limited, Canada		
(100 shares of S $ 0.01 each fully paid up)	0.01	0.01
Other subsidiaries (Unquoted)		
Info-Drive Software LLC., Dubai		
(240 shares of Dirhams 1000 each fully paid up)	416.33	470.80
Precision Infomatic (Madras) Private Limited		
(124,900 equity share of Rs.10/- each fully paid up)	900.00	900.00
	3,631.81	**3,772.02**

SCHEDULE - H

INVENTORIES

Stock of Bharatanatyam CDs	15.23	15.23
Stock in hand at agent	0.92	1.94
(at cost and as certified by the Management)	**16.15**	**17.17**

SCHEDULE - I

SUNDRY DEBTORS

(Unsecured and considered good)		
a. Debts outstanding for a period exceeding six months	359.69	-
b. Other debts	618.48	942.80
	978.17	**942.80**

SCHEDULE - J

CASH & BANK BALANCES

a. Cash on hand	2.38	4.11
b. Cheques on hand	183.64	190.72
c. With Banks - in Current Account		
and Deposit Account	722.22	8.54
	908.24	**203.37**

SCHEDULE - K

LOANS AND ADVANCES (Unsecured and considered good)

Advances (recoverable in cash or in kind or for value to be received)

a. Deposits & Advances (Govt & others)	128.61	50.89
b. Staff Advances	0.88	2.53
c. Prepaid Taxes	13.97	12.02
d. Intercorporate Loans	535.70	393.23
e. Security Deposit with BSE	-	12.00
	679.16	**470.67**

SCHEDULE - L

CURRENT LIABILITIES

Sundry Creditors

- Trade & Others	544.37	404.40
- Advance received for supply of services	-	187.06
- Outstanding Liabilities	117.20	9.94
- Unclaimed Dividend	5.19	2.83
	666.76	**604.23**

SCHEDULE - M		
PROVISIONS		
- Provision for Taxation & FBT	5.49	57.28
- Proposed Dividend	146.19	146.19
- Provision for tax on proposed dividend	24.86	24.86
	176.54	**228.33**
SCHEDULE - N		
MISCELLANEOUS EXPENDITURE		
Issue Expenses	56.65	58.10
Less: Written off during the year	6.96	6.46
	49.69	**51.64**
SCHEDULE - O		
INCOME FROM OPERATIONS		
Sales and Services	1,638.45	1,364.84
	1,638.45	**1,364.84**
SCHEDULE - P		
OTHER INCOME		
Interest Income	20.31	39.68
	20.31	**39.68**
SCHEDULE - Q		
COST OF GOODS SOLD/SERVICES		
Opening Stock	17.17	15.23
Purchase of materials/services	449.81	591.49
Less: Closing Stock	16.15	17.17
	450.83	**589.55**
SCHEDULE - R		
EMPLOYEES COST		
Staff Salaries	174.00	142.18
Provident Fund	3.78	3.19
Gratuity	4.29	4.61
Jt Managing Director (JMD) Remunertion	-	3.50
Medical Reimbursement	5.60	4.96
Staff Welfare	3.29	5.61
	190.96	**164.05**
SCHEDULE - S		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Communication Expenses	12.69	15.49
Rent, Rates & Taxes	31.91	13.28

Business Development expenses	1.28	10.20
Travelling & Conveyance	33.78	40.22
General Expenses	1.51	4.18
Printing & Stationery	6.63	6.60
Repairs & Maintenance		
- Vehicle Maintenance	0.89	0.57
- Office Maintenance	3.03	3.12
- Computer Maintenance	0.69	1.01
- Others	2.97	2.57
Professional & Legal Expenses	21.59	21.36
Donations		0.04
Electricity Expenses	4.61	4.37
Insurance	0.67	0.64
Issue Expenses written off	6.96	6.46
Auditors remuneration		
- Statutory Audit	1.75	1.00
- Tax Audit	0.50	0.40
- Others	0.25	0.10
Advertisement	0.34	2.68
	132.05	134.29
		-

SCHEDULE - T

FINANCE CHARGES

Interest & Bank Charges	55.14	18.58

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

		2009-2010	2008-2009
Cash flow from operating activities			
Profit before taxes		672.58	533.95
Adjustments for			
Depreciation		23.73	21.14
Interest Income		(20.31)	(39.68)
Miscellaneous Expenses		6.96	6.46
Interest paid		55.14	18.58
Exchange Fluctuation		133.47	(57.04)
Operating profit before working capital changes		871.57	483.41
Adjustments for increase/ (-) decrease in			
Sundry Debtors		(35.37)	(756.22)
Loans & Advances		(208.49)	(80.81)
Inventories		1.02	(1.94)
Current Liabilities & Provisions		10.74	517.28
Cash generated from/(used in) operations		639.47	161.72
Adjustment for Misc. Exp. written off		(5.00)	-
Exchange Fluctuation		(133.47)	57.04
Taxes paid		48.66	(57.79)
Net cash from operating activities	**A**	**549.66**	**160.97**
Cash flow from investing activities:			
Investment in Subsidiary Companies		(9.94)	-
Purchase of Fixed Assets		(102.49)	(269.07)
Interest Income		20.31	39.68
Interest paid		(55.14)	(18.58)
Net cash flow from/(used in) investing activities	**B**	**(147.26)**	**(247.97)**
Cash flow from financing activities:			
Long term borrowings (Net)		349.79	5.94
Short term borrowings (Net)		123.73	(3.56)
Dividend including distribution tax		(171.05)	(171.05)
Net cash from financing activities	**C**	**302.47**	**(168.67)**
Net increase/decrease in cash and cash equivalents		704.87	(255.67)
Cash & Cash equivalents (Opening Balance)		203.37	459.04
Cash & Cash equivalents (Closing Balance)		908.24	203.37
Component of Cash and Cash equivalents			
Cash on hand		2.38	4.11
Balance with Banks			
i. Available with the company for day to day operations		900.67	196.44
ii. Amount available in unclaimed dividend accounts		5.19	2.82

NOTES ON ACCOUNTS - PROFIT AND LOSS

SCHEDULE - U

NOTES ON ACCOUNTS

Notes attached to and forming part of the Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended March 31, 2010.

General Information

Info-Drive Software Limited (the Company) is a juristic person incorporated under the Companies Act, 1956. The address of its Registered Office and principal place of business is Buhari Buildings, No.3, Moores Road, Chennai - 600 006. The principal activities of the Company are development of computer software, business process outsourcing (BPO), hardware and software consultancy services. The Company is a software exporter registered under Software Technology Parks of India (STPI).

Significant Accounting Policies

a. Basis of Preparation

The financial statements are prepared under the historical cost convention under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and according to the provisions of the Companies Act, 1956.

b. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts. Revenues from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.

Software services: Where the outcome of a turnkey contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the Balance Sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

c. Fixed Assets

Fixed assets are stated at historical cost of acquisition and improvements thereon less accumulated depreciation.

d. Depreciation

Depreciation on fixed assets have been provided on Straight Line Method at the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956 and on pro-rata basis of the assets acquired during the year.

e. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on 'Accounting for Investments'. Long term investments are stated at cost to the company. The company provides for diminution in the value of long term investments other than those temporary in nature.

Current investments

Info-DriveSoftwareInc.,USA:Rs.9,93,877/-(Nil) 99

In case of foreign investments
- the cost is the rupee value of the foreign currency on date of balance sheet.
- the face value of the foreign investments is shown at the face value reflected in the foreign currency of that country.

f. Employee benefits

Short term employee benefits are measured at cost. Long term employee benefits and post employment benefits such as gratuity are reviewed and provided at each balance sheet date.

g. Taxation

Income Tax: The Company is entitled to tax exemption U/s.10A of the Income Tax Act, 1961 and the Provision for Income Tax is made based on the available exemption under the said section. Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or exempt in other years and it further excludes items that are never taxable or exempt. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax: Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred Tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystalise with reasonable certainty. However in case of deferred tax assets (representing minimum alternate tax) are recognised, if and only if there is virtual certainty that three would be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax is recognised on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.

h) Secured Loans

a. Secured loans include Term loan and vehicle hire-purchase loan from Union Bank of India which are secured by hypothecation to the bank by way of first charge on all computers, un-interrupted power supply equipments, vehicles and the term loan is further secured by a third party guarantee.

b. Secured loans include Working Capital (Cash Credit facility) from Axis Bank Ltd against bills receivable/foreign bills discounting.

i) Inventories

Inventories are stated at lower of cost and net realisable value. Cost comprises direct costs and those overheads that have been incurred in bringing the inventories to their present condition. Net realizable value represents the estimated realisation less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

j) Segment reporting

The company operates only in one segment viz. Information Technology.

INFO-DRIVE SOFTWARE LIMITED

The Stand Alone Balance Sheet as at March 31, 2009, 2008 & 2007

Particulars	Schedule	As at 31.03.2009 Rs. lacs	As at 31.03.2008 Rs. lacs	As at 31.03.2007 Rs. lacs
SOURCES OF FUNDS:				
SHARE HOLDERS' FUNDS				
Share Capital	A	2,923.89	2,923.89	500.00
Reserves & Surplus	B	1,764.81	1,562.11	60.00
LOAN FUNDS				
Secured Loans	C	37.55	31.61	-
Unsecured Loans	D	332.33	259.25	58.32
Deferred Tax Liability	E	-	7.80	-
Total		**5,058.58**	**4,784.66**	**618.32**
APPLICATION OF FUNDS:				
FIXED ASSETS	F			
Gross Block		428.88	159.81	120.79
Less: Depreciation		101.81	80.67	73.60
Net Block		327.07	79.14	47.19
INVESTMENTS				
In subsidiary companies - Un quoted	G	3,772.02	3,492.68	0.88
Deferred Tax Asset	E	38.01	-	-
CURRENT ASSETS, LOANS & ADVANCES				
a. Inventories	H	17.17	15.23	15.28
b. Sundry Debtors	I	942.80	186.58	8.00
c. Cash & Bank Balances	J	203.37	459.04	0.05
d. Loans & Advances	K	470.67	389.86	4.03

		1,634.01	1,050.71	27.36
LESS: CURRENT LIABILITIES				
a. Current Liabilities	**L**	651.58	159.13	1.55
b. Provisions	**M**	228.33	203.50	0.20
Net Current Assets		754.10	688.08	25.61
MISCELLANEOUS EXPENDITURE				
Preliminary & Issue Expenses (to the extent				
neither written off nor adjusted)	**N**	51.64	58.10	21.36
Profit and Loss Account		115.74	466.66	523.28
		167.38	524.76	544.64
Total		**5,058.58**	**4,784.66**	**618.32**
Notes on accounts	**U**			
The Schedules referred to above and the notes thereon form an integral part of these financial statements				

INFO-DRIVE SOFTWARE LIMITED

The Stand Alone Profit & Loss Account for the Year ended March 31, 2009, 2008 and 2007

	Schedule	2008-2009 Rs. lacs	2007-2008 Rs. lacs	2006-2007 Rs. lacs
INCOME:				
Income from operations	O	1,364.84	424.70	8.22
Other Income	p	96.72	48.98	9.43
		1,461.56	**473.68**	**17.65**
EXPENDITURE:				
Cost of goods sold	Q	589.55	0.05	0.10
Employees Cost	R	164.05	71.68	2.14
Administrative, Selling & Other Expenses	S	134.29	91.54	11.52
Finance Charges	T	18.58	17.06	0.26
Depreciation	F	21.14	7.07	2.04
		927.61	**187.40**	**16.06**
Profit for the year before taxation		533.95	286.28	1.59
Less: Goodwill written off		-	18.34	-
		533.95	267.94	1.59
Less: Provision for Taxation including FBT		57.80	32.47	0.20
Provision for Deferred Tax		(45.82)	7.80	-
Net Profit for the year		521.97	227.67	1.39
Less: Proposed dividend including distribution tax		171.05	171.05	-
		350.92	56.62	1.39
Balance brought forward from previous year (Loss)		(466.66)	(523.28)	(524.67)
Balance carried to Balance Sheet		**(115.74)**	**(466.66)**	**(523.28)**
Notes on accounts	U			

The Schedules referred to above and the notes thereon form an integral part of these financial statements				

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2009 Rs. lacs	31.03.2008 Rs. lacs	31.03.2007 Rs. lacs
SCHEDULE - A			
SHARE CAPITAL	-	-	-
Authorised:			
FY2008-2009-6,00,00,000,FY2007-2008-6,00,00,000FY2006-2007-3,00,00,000 equity shares of Rs.10/- each	6,000.00	6,000.00	3,000.00
Issued, Subscribed and fully paid up:			
FY2008-2009-2,92,38,890,FY2007-2008-2,92,38,890 & FY2006-2007-50,00,000 equity shares of Rs.10/- each fully paid up	**2,923.89**	**2,923.89**	**500.00**
SCHEDULE - B			
RESERVES & SURPLUS			
Share Premium Account	1,562.11	1,562.11	60.00
Exchange Fluctuation Reserve	202.70	-	-
	1,764.81	**1,562.11**	**60.00**
SCHEDULE - C			
SECURED LOANS			
a. Union Bank of India	25.36	15.57	-
b. Union Bank of India - Term Loan	12.19	16.04	-
(refer note h)	**37.55**	**31.61**	**-**
SCHEDULE - D			
UNSECURED LOANS			
Deferred Credits	332.33	259.25	58.32
	332.33	**259.25**	**58.32**
SCHEDULE - E			
DEFERRED TAX BALANCES - NET			
a. Depreciation - Liability	16.99	7.80	-
b. Minimum Alternate Tax - asset	55.00	-	-
-	**38.01**	**7.80**	**-**

SCHEDULE - G			
INVESTMENTS			
Wholly owned subsidiaries (Unquoted)			
Info-Drive Software Inc., USA			
(102,000 shares of $ 1 each fully paid up)	51.88	40.36	0.88
Info-Drive Systems Sdn Bhd., Malaysia			
(10,00,000 shares of RM 1 each fully paid up)	2,280.85	2,126.00	-
Info-Drive Software Pte Ltd., Singapore			
(205,600 shares of S $ 1 each fully paid up)	68.48	57.67	-
Info-Drive Software Limited, Canada			
(100 shares of S $ 0.01 each fully paid up)	0.01	-	-
Other subsidiaries (Unquoted)			
Info-Drive Software LLC., Dubai (240 shares of Dhirams 1000 each fully paid up)	470.80	368.65	-
Precision Infomatic (Madras) Private Limited (124,900 equity share of Rs.10/- each fully paid up)	900.00	900.00	-
	3,772.02	**3,492.68**	**0.88**
SCHEDULE - H			
INVENTORIES			
Stock of Bharatanatyam CDs	15.23	15.23	15.28
Stock in hand at agent	1.94	-	-
(at cost and as certified by the Management)	**17.17**	**15.23**	**15.28**
SCHEDULE - I			
SUNDRY DEBTORS			
(Unsecured and considered good)			
a. Debts outstanding for a period exceeding six months	-	90.15	-
b. Other debts	942.80	96.43	8.00
	942.80	**186.58**	**8.00**

SCHEDULES FORMING PART OF THE BALANCE SHEET

-	31.03.2009	31.03.2008	31.03.2007
SCHEDULE - J			
CASH & BANK BALANCES			
a. Cash on hand	4.11	2.11	0.05
b. Cheques on hand	190.72	-	-
c. With Banks - in Current Account and Deposit Account	8.54	456.93	-
	203.37	**459.04**	**0.05**
SCHEDULE - K			
LOANS AND ADVANCES (Unsecured and considered good)			
Advances (recoverable in cash or in kind or for value to be received)			
a. Deposits & Advances (Govt & others)	50.89	48.25	1.59
b. Staff Advances	2.53	1.15	-
c. Prepaid Taxes	12.02	11.99	2.44
d. Intercorporate Loans	393.23	316.47	-
e. Security Deposit with BSE	12.00	12.00	-
	470.67	**389.86**	**4.03**
SCHEDULE - L			
CURRENT LIABILITIES			
Sundry Creditors			
- Trade & Others	451.75	3.17	-
- Advance received for supply of services	187.06	147.25	-
- Outstanding Liabilities	9.94	8.71	1.55
- Unclaimed Dividend	2.83	-	-
	651.58	**159.13**	**1.55**
SCHEDULE - M			
PROVISIONS			
- Provision for Taxation & FBT	57.28	32.45	0.20
- Proposed Dividend	146.19	146.19	-
- Provision for tax on proposed dividend	24.86	24.86	-
	228.33	**203.50**	**0.20**

SCHEDULE - N			
MISCELLANEOUS EXPENDITURE			
Right Issue Expenses	58.10	64.56	21.36
Less: Written off during the year	6.46	6.46	-
	51.64	**58.10**	**21.36**
SCHEDULE - O			
INCOME FROM OPERATIONS	-	-	-
Sales and Services	1,364.84	424.70	8.22
	1,364.84	**424.70**	**8.22**
SCHEDULE - P			
OTHER INCOME			
Other Income			
Interest Income	39.68	48.81	9.43
Exchange Fluctuation	57.04	0.17	-
	96.72	**48.98**	**9.43**
SCHEDULE - Q			
COST OF GOODS SOLD			
Opening Stock	15.23	15.28	15.38
Purchase of materials/services	591.49	-	-
Less: Closing Stock	17.17	15.23	15.28
	589.55	**0.05**	**0.10**
SCHEDULE - R			
EMPLOYEES COST			
Staff Salaries	142.18	59.03	2.11
Provident Fund	3.19	-	-
Gratuity	4.61	-	-
Jt Managing Director (JMD) Remuneration	3.50	3.00	-
Medical Reimbursement	4.96	2.41	-
Staff Welfare	5.61	7.24	0.03
	164.05	**71.68**	**2.14**
SCHEDULE - S			
ADMINISTRATIVE, SELLING & OTHER EXPENSES			
Communication Expenses	15.49	11.51	2.52
Rent, Rates & Taxes	13.28	7.63	0.33
Business Development expenses	10.20	0.01	0.45
Travelling & Conveyance	40.22	19.30	2.28
General Expenses	4.18	4.28	0.74

Printing & Stationery	6.60	4.37	1.50
Repairs & Maintenance			
- Vehicle Maintenance	0.57	0.72	-
- Office Maintenance	3.12	1.94	0.16
- Plant & Machinery	1.01	0.70	-
- Others	2.57	3.02	0.24
Professional & Legal Expenses	21.36	21.93	2.61
Donations	0.04	0.01	-
Electricity Expenses	4.37	2.14	0.31
Insurance	0.64	0.57	-
Issue Expenses written off	6.46	6.46	-
Auditors remuneration			
- Statutory Audit	1.00	0.60	0.18
- Tax Audit	0.40	0.25	-
- Others	0.10	0.15	-
Advertisement	2.68	5.95	0.20
	134.29	**91.54**	**11.52**
	-	-	-
SCHEDULE - T			
FINANCE CHARGES			
Interest & Bank Charges	18.58	17.06	0.26

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009 & 2008 & 2007

		2008-2009 Rs lacs	2007-2008 Rs lacs	2006-2007 Rs lacs
Cash flow from operating activities				
Profit before taxes		533.95	286.28	1.59
Adjustments for				
Depreciation		21.14	7.07	2.04
Interest Income		(39.68)	(48.81)	(6.81)
Miscellaneous Expenses		6.46	6.46	-
Goodwill written off		-	(18.34)	-
Other income		(57.04)	(0.17)	(2.62)
Operating profit before working capital changes		464.83	232.49	(5.80)
Adjustments for increase/ (-) decrease in				
Sundry Debtors		(756.22)	(178.58)	(8.00)
Loans & Advances		(80.81)	(385.84)	201.22
Inventories		(1.94)	0.05	0.10
Current Liabilities & Provisions		517.28	620.13	(2.18)
Cash generated from/(used in) operations		143.14	288.25	185.34
Interest Income		39.68	48.81	6.81
Other income		57.04	0.17	2.62
Taxes paid		(57.79)	(32.47)	-
Net cash from operating activities	**A**	**182.07**	**304.76**	**194.77**
Cash flow from investing activities:				
Investment in Subsidiary Companies		-	(3,491.80)	(0.89)
Purchase of Fixed Assets		(269.07)	(39.02)	(0.80)
Net cash flow from/(used in) investing activities	**B**	**(269.07)**	**(3,530.82)**	**(1.69)**
Cash flow from financing activities:				
Long term borrowings (Net)		5.94	31.62	-

Short term borrowings (Net)		(3.56)	(58.32)	(177.78)
Rights issue		-	3,926.00	-
Rights issue expenses		-	(43.20)	(21.36)
Dividend including distribution tax		(171.05)	(171.05)	-
Net cash from financing activities	**C**	**(168.67)**	**3,685.05**	**(199.14)**
Net increase/decrease in cash and cash equivalents		(255.67)	458.99	(6.06)
Cash & Cash equivalents (Opening Balance)		459.04	0.05	6.10
Cash & Cash equivalents (Closing Balance)		203.37	459.04	0.05

INFO-DRIVE SOFTWARE LIMITED

SCHEDULE – U
NOTES ON ACCOUNTS

Notes attached to and forming part of the Balance Sheet as at 31st March, 2009,2008 & 2007 and the Profit and Loss Account for the year ended 31st March 2009,2008 & 2007

GENERAL INFORMATION:
Info-Drive Software Limited (the Company) is a juristic person incorporated under the Companies Act, 1956. The address of its Registered Office and principal place of business is Buhari Buildings, No.3, Moores Road, Chennai – 600 006. The principal activities of the Company are development of computer software, business process outsourcing (BPO), hardware and software consultancy services. The Company is a software exporter registered under Software Technology Parks of India (STPI)

SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation:

The financial statements are prepared under the historical cost convention under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and according to the provisions of the Companies Act, 1956.

b. Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.
Revenues from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.

Software services: Where the outcome of a turnkey contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the Balance Sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

c. Fixed Assets:

Fixed assets are stated at historical cost of acquisition and improvements thereon less accumulated depreciation.

d. Depreciation:

Depreciation on fixed assets have been provided on Straight Line Method at the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956 and on pro-rata basis of the assets acquired during the year.

e. Investments:

Investments are classified as current or long term in accordance with Accounting Standard 13 on 'Accounting for Investments'.

- Long term investments are stated at cost to the company. The company provides for diminution in the value of long term investments other than those temporary in nature.
- Current investments – Nil
- In case of foreign investments

- the cost is the rupee value of the foreign currency on date of balance sheet.
- the face value of the foreign investments is shown at the face value reflected in the foreign currency of that country.

During the year 2008-09, 2007-08 & 2006-2007 under review the company has acquired majority stake in the following companies.

Sl. No.	Name of the company acquired	% of holding (2008-09)	% of holding (2007-08)	% of holding (2006-2007)
1.	Technoprism LLC - Subsidiary of Info-Drive Software Inc. USA	51	-	-
2.	Info-Drive Software Limited, Canada	100	-	-
3.	Info-Drive Software Inc,U.S.A	-	100	-
4.	Info-Drive Software Pte.Ltd, Singapore	-	100	-
5.	Info-Drive Systems Sdn.bhd, Malaysia	-	100	-
6.	Info-Drive Software LLC,Dubai	-	80	-
7.	Precision Infomatic (Madras) Private Ltd.	-	51	-

f. Employee benefits:

Short term employee benefits are measured at cost. Long term employee benefits and post employment benefits such as gratuity are reviewed and provided at each balance sheet date.

g. Taxation

Income Tax: The Company is entitled to tax exemption U/s.10A of the Income Tax Act, 1961 and the provision for Income Tax is made based on the available exemption under the said section. Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or exempt in other years and it further excludes items that are never taxable or exempt. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax: Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred Tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystalise with reasonable certainty. However in case of deferred tax assets (representing minimum alternate tax) are recognised, if and only if there is virtual certainty that three would be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax is recognised on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.

Fringe Benefit Tax: Fringe Benefit Tax (FBT) is provided in respect of benefits to employees as defined under section 115WB. FBT payable under the provisions of 115WC of the Income Tax Act 1961 is in accordance with the guidance note on 'Accounting for Fringe Benefits Tax' issued by the Institute of Chartered Accountants of India regarded as an additional income tax and considered in determination of profits for the year.

h. Secured Loans:

Secured loans include Term loan and vehicle hire-purchase loan from Union Bank of India which are secured by hypothecation to the bank by way of first charge on all computers, un-interrupted power supply equipments, vehicles and the term loan is further secured by a third party guarantee.

i. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct costs and those overheads that have been incurred in bringing the inventories to their present condition. Net realizable value represents the estimated realisation less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

j. Segment reporting:

The company operates only in one segment viz. Information Technology.

k. Related party disclosures

List of related parties where control exists and other related parties with whom the company had transactions and their relationship is as below.

Sl.No.	Name of the related party	Nature of relationship
1. 2. 3. 4. 5. 6.	Info-Drive Software Inc, USA Info-Drive Software LLC, Dubai Info-Drive Software Pte Ltd., Singapore Info-Drive Systems Sdn Bhd, Malaysia Info-Drive Software Limited, Canada Precision Infomatic (Madras) Pvt Ltd	Subsidiary Companies
7. 8. 9. 10.	Precision Techconet Private Limited Legend Systems Pvt Ltd Precision Techserve Private Limited Precision Galaxy Private Limited	Fellow Subsidiary Companies (Subsidiaries of Precision Infomatic Madras Private Limited)
11.	Technoprism LLC, USA	Fellow Subsidiary Company (Subsidiary of Info-Drive Software Inc, USA)
12. 13. 14.	K. Chandrasekaran K. Shivakumar N.T. Shivkumar	Key Management personnel

Sl. No.	Nature of Transaction	Name of the related party	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2007 Rs.
1	Investment in Equity	Info-Drive Software Inc.,	51,87,822/-	40,36,495/-	88,495/-
		Info-Drive Software LLC.,	4,70,79,800/-	3,68,65,000/-	Nil
		Info-Drive Software Pte Ltd.,	68,47,775/-	57,39,030/-	Nil
		Info-Drive Systems Sdn Bhd.,	22,80,85,758/-	21,26,00,040/-	Nil
		Precision Infomatic (M) Pvt. Ltd.,	9,00,00,000/-	9,00,00,000/-	Nil
		Info-Drive Software Ltd., Canada	40/-	Nil	Nil
2	Advance given	Info-Drive Software Inc.,	2,13,61,620/-	1,57,92,000/-	Nil
		Info-Drive Software LLC.,	9,74,556/-	Nil	Nil
		Precision Infomatic (M) Pvt. Ltd.,	20,96,044/-	Nil	Nil
		Precision Techserve Pvt. Ltd.,	69,15,119/-	25,00,000/-	Nil
		Precision Techconet Pvt. Ltd.,	9,14,312/-	Nil	Nil
		Legend Systems Pvt. Ltd.,	31,81,749/-	Nil	Nil
		Info-Drive Software Ltd., Canada	34,877/-	Nil	Nil
3	Advance taken	Info-Drive Software Pte Ltd.,	16,65,315/-	Nil	Nil
		Info-Drive Systems Sdn Bhd.,	6,04,755/-	Nil	Nil
4	Sales & Services	Info-Drive Software Inc.,	1,10,11,924/-	1,86,57,902/-	Nil
		Info-Drive Software LLC.,	1,92,95,251/-	Nil	Nil
5	Purchase & Services	Info-Drive Software LLC.,	4,92,32,389/-	Nil	Nil
6	Receivables	Precision Infomatic (M) Pvt. Ltd.,	Nil	6,38,590/-	Nil
7	Interest received	Precision Infomatic (M) Pvt. Ltd.,	2,79,151/-	Nil	Nil
		Precision Techserve Pvt. Ltd.,	5,02,055/-	Nil	Nil
		Precision Techconet Pvt. Ltd.,	1,95,110/-	Nil	Nil
		Legend Systems Pvt. Ltd.,	3,39,720/-	Nil	Nil
8	Guarantee given	Precision Infomatic (M) Pvt. Ltd.,	12,64,00,000/-	Nil	Nil
		Precision Techconet	2,10,00,000/-	Nil	Nil

		Pvt. Ltd.,			
9	Commission paid	Info-Drive Software LLC.,	9,64,763/-	Nil	Nil
10	Dividend paid	K. Chandrasekaran	7,30,450/-	Nil	Nil
		N.T. Shivkumar	1,75,000/-	Nil	Nil
		K. Shivakumar	2,29,545/-	Nil	Nil
11	Remuneration	K. Shivakumar	3,50,000/-	3,00,000/-	Nil

l. Details of utilization of funds received on Rights Issue of equity shares:

Particulars	31.03.2009	31.03.2008	31.03.2007
Issue proceeds through rights issue	-	24,00,00,000/-	-
Total Funds Received	-	24,00,00,000/-	-
Particulars of utilization / deposits			
Investment in subsidiary companies	-	17,07,15,525/-	-
Loans to subsidiary companies / others	-	3,10,22,000/-	-
Issued Expenses	-	40,05,730/-	-
Balance amount parked in deposits	-	3,18,56,745/-	-

m. Exchange Fluctuation:

Exchange differences on account of fluctuations in foreign currency rates:

i) Exchange difference gain/(loss) recognised in the Profit and Loss Account relating to exports/services during the year.

ii) Exchange difference gain recognised in the Balance Sheet relating to investments as exchange fluctuation reserve.

n. Managerial Remuneration: **(Amount in Rs.)**

	2009	2008	2007
Remuneration	3, 50,000	3,00,000/-	Nil
Perquisites	Nil	Nil	Nil

o. Auditors Remuneration

	2009	2008	2007
As auditors	1,00,000/-	60,000/-	17,500/-
As tax auditors	40,000/-	25,000/-	Nil
For other services	10,000/-	15,000/-	Nil

p. Contingent Liabilities:

On guarantees and counter guarantees given to bankers Rs.14.74 lacs (31st March 2008-Rs.Nil & 31st March 2007– Rs. Nil)

q. Dues to SSI's:

As at 31st March 2009, 2008 and 2007 the company has no outstanding dues to Micro Enterprises, Small Enterprises and Small Scale Industrial Undertakings.

r. Foreign Currency Transactions:

Monetary current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of balance sheet.

(Amount in Rs. lacs)

	2009	2008	2007
Earnings in Foreign Currency	1356.95	424.64	8.08
Expenditure in Foreign Currency	565.92	1.82	Nil
Investment in Foreign Currency	9.89	1224.33	0.88
Remittance in Foreign Currency for Dividend	13.75	Nil	Nil

s. Earnings Per Share

In determining the earnings per share, the company considers the net profit after tax and extraordinary items.

Particulars	31.03.2009	31.03.2008	31.03.2007
Profit after tax and extraordinary items	Rs.5,21,97,116/-	Rs.2,27,66,893/-	Rs.1,40,247
No. of equity shares outstanding during the year	2,92,38,890	2,92,38,890	50,00,000
Basic & Diluted Earnings Per Share	Re.1.79	Re.0.78	Re.0.03

t. Quantitative information:

The Company is engaged in computer software, dealing with computer peripherals, accessories, networking and others. Quantitative information including value as required under Part II of Schedule VI of the Companies Act, 1956 is given below as the company is dealing with both trading and services:

FY2008-2009

	Op.Stock	Purchases	Sales	Cl.Stock
Computers, Peripherals & Accessories				
-Quantity (Nos)	1460	827	812	1475
-Value (in lacs)	15.23	202.41	192.95	17.17

FY2007-2008

	Op.Stock	Purchases	Sales	Cl.Stock
Computers, Peripherals & Accessories				
-Quantity (Nos)	1465	-	5	1460
-Value (in lacs)	15.28	-	0.05	15.23

FY2006-2007

	Op.Stock	Purchases	Sales	Cl.Stock
Computers, Peripherals & Accessories				
-Quantity (Nos)	1465	-	3	1465
-Value (in lacs)	15.38	-	0.10	15.28

u. The figures for the current year and previous year have been rounded off to the nearest lac.

v. Previous year figures have been rearranged or regrouped wherever necessary to conform with current year's classification.

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Placement Document is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued there under, as the case may be. The Company further certifies that all statements in this Placement Document are true and correct.

Signed by:

Sd/-	Sd/-
K.Shivakumar Joint Managing Director Info-Drive Software Limited	V.N.Seshagiri Rao Director Info-Drive Software Limited

Place: Chennai

Date: November 06, 2010

INFO-DRIVE SOFTWARE LIMITED

REGISTERED OFFICE OF THE COMPANY

"Buhari Buildings, Second Floor,
No: 3, Moores Road,
Chennai – 600 006, India

BOOK RUNNING LEAD MANAGER

Keynote Corporate Services Limited
4th Floor, Balmer Lawrie Building
J. N. Heredia Marg
Ballard Estate Mumbai – 400 001

LEGAL ADVISOR TO THE ISUE

Karthik, Mukundan & Neelakantan
New No: 8, Old: No. 28,
2nd floor, Errabalu Chetty Street
(at Angappa Naicken Street Junction),
Chennai – 600001

AUDITORS TO THE COMPANY

K. S. Reddy Associates
No. 36/191, First Floor,
North Usman Road,
T. Nagar, Chennai – 600017

BANKERS TO THE COMPANY-I

Axis Bank Limited
SME CENTRE, Ground floor,
Karumuthu Nilayam, No.192,
Anna Salai, Chennai – 600002.

BANKERS TO THE COMPANY-II

Union Bank of India
Purasawalkam Branch
141, Purasawalkam High Road,
Kellys, Chennai - 600010

BANKERS TO THE ISSUE

IndusInd Bank Limited
New No.34 (Old No.115), G.N.Chetty Road,
T.Nagar, Chennai – 600017.

ADVISORS TO THE ISSUE

Paterson Consulting Group Pvt. Ltd.
Bhavani Mansion, 3, 4th Lane
Nungambakkam High Road, Chennai 600034.

SECRETARIAL AUDITOR TO THE COMPANY

BMDV & CO
Company Secretaries
New No.13, South Boag Road, T.Nagar, Chennai 600 017