

info-drive

SOFTWARE LIMITED

ANNUAL REPORT 2005

info-drive
SOFTWARE LIMITED

Board of Directors	<ol style="list-style-type: none">1. Mr. K. Shivakumar - Managing Director2. Mr. K. Ganesh Krishna3. Mr. P. Shreenivas Reddy4. Mr. G. Vasu
Registered Office	No 203 (old No 91) V.M. Street, Mylapore, Chennai 600 004. Tel:24983244, 24980616 Fax:24985704 Email:infodrive@pobox.com www.thakita.com
Auditors	M/s K.S. Reddy Associates Chartered Accountants 75/35, 1 st Floor, Annapillai Street, Sowcarpet, Chennai – 600 079. Tel: 5564 8761 Mobile:94444 04761
Bankers	Standard Chartered Bank Indian Bank
Depository Services Share Transfer Agents	Cameo Corporate Services Limited Subramanian Building No.1, Club House Road Chennai - 600 002 Tel: 2846 0390

NOTICE

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Company will be held at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, at 3.30 p.m. on Friday the 30th September 2005.

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet of the Company as at March 31, 2005 and the Profit and Loss Account for the year ended that date together with the report of the Auditors' thereon.
- 2.. To appoint a Director in the place of Mr. G.Vasu, who retires by rotation and who, being eligible offers himself for reappointment.
3. To appoint M/s K S Reddy Associates, Chennai, as Auditors and authorise the Board to fix the remuneration.

By Order of the Board
For Info Drive Software Limited

K.SHIVAKUMAR
Managing Director.

Chennai
15th June 2005

NOTES:

1. Every member entitled to attend and vote may appoint a proxy to attend and vote on his behalf and the proxy need not be a member. The proxy form duly stamped and executed should be deposited at the registered office of the Company at least 48 hours before the time fixed for the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from September 28, 2005 to September 30, 2005 both days inclusive.
3. Members are requested to notify the Company at its Registered Office of any change in address quoting their folio number.
4. Members who have queries on the accounts of the company are requested to send the same to the Company at the earliest, to enable gathering of data needed for the replies.

DIRECTORS REPORT

Your Directors have pleasure in submitting the 17th Annual Report with audited accounts of the Company for the period ended 31st March 2005.

FINANCIAL RESULTS:

Your Company's income from operations for the year was Rs.6,77,094/- as against Rs. 73,500 for the previous 12 months. The total expenditure including depreciation for the year amounted to Rs. 18,63,129 as against 21,79,235 for the previous year. Your Company made a net loss Rs 11.86 lacs for the year as against Rs. 20.58 lacs for the previous year.

DIVIDEND:

Due to losses incurred, your directors do not recommended any dividend for the period ended 31st March 2005.

BUSINESS PROSPECTS:

Your company is already in talks with two strategic investors. The investors are also planning to bring in business to the company. This alliance with the strategic investors will be a boost to the company and the management is confident of pulling of the alliance in a positive manner .Further, the site <http://www.thakita.com> has been received very well in the international market. More than 6500 hits have already been registered with registered users being close to 20. Your company has also launched successfully a high profile DVD collection on Bharata natyam. Being exclusively on bharata natyam, the product has been a tremendous success. It has also been appreciated by critics and dance lovers all over the world. Your company is sure to launch a mark in the international market with such products. A tie up with the investors will also bring a much needed exposure in terms of marketing for the DVDs and the site and the coming years will be a turn around period for the company. Plans are also underway to get into BPO and animation business with the help and assistance of the invesotors.

FIXED DEPOSIT:

The company did not accept/renew any fixed deposit during the year under review.

DIRECTORS:

Mr.Ramasamy, Independent Director had resigned and the Board had relieved him of all his duties. Further Mr P.Shreenivas Reddy, Independent director had also resigned. The Board while thanking him for his immense contribution had relieved him of his duties and responsibilities.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
4. That they have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY OR TECHNOLOGY ABSORPTION:

Your company has no activity relating to conservation of energy or technology absorption.

PERSONNEL:

There are no employees in terms of the requirement of Section 217(2A) of the Companies Act, 1956.

AUDITORS:

M/s. K S Reddy Associates, Chartered Accountants, Chennai have expressed their willingness to continue to act as Statutory Auditors of the Company if appointed at the Annual General meeting. Your Board recommends their appointment.

AUDITORS' REMARKS:

In respect of other observations made by the Auditors in their ANNEXURE to the Report the Directors wish to state as follows:

1. Erosion of net worth: In spite of company's best efforts the company is unable to increase its turnover. Due to fixed and unavoidable of overheads the company is incurring losses. The company is hopeful of recovery in the forthcoming years.
2. In the opinion of the management, the company has put all internal controls in place. The company has not been able to do any substantial business and is in heavy losses and is suffering from cash crunch. However steps will be taken to have internal audit commensurate with the size of the business.

AUDIT COMMITTEE:

The Company has constituted an Audit Committee as required under the provisions of Section 292A of the Companies Act, 1956.

CORPORATE GOVERNANCE: REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31,2005

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

Company's Philosophy

- 1.The Company firmly believes in and has consistently endeavored to practice good corporate governance.
- 2.The Company firmly believes in the value of transparency, professionalism, and accountability in its dealings with its customers, employees, shareholders and with every individual who comes in contact with the company.

Board of Directors

Composition, Attendance at the Board Meetings and last Annual General Meeting, Outside Directorships and other Board Committees.

Above information as on 31st March, 2005 or for the year 2005, as applicable is tabulated here under:

Director	No of Board Meetings attended	Attendance at previous AGM held on 30th September 2004.	No of Outside Directorship held(excluding alternate directorships and directorships in private companies)	No of membership/chairmanship in other Board Committees	Executive/ Non executive / Independent
Mr.K.Shivakumar	4	Present	Nil	Nil	Executive
Mr.P. Shreenivas Reddy	4	Present	Nil	Nil	Nonexecutive
Mr.K.GaneshKrishna	4	Present	Nil	Nil	Nonexecutive
Mr. Vasu G.	4	Present	nil	Nil	Nonexecutive

Board meetings held during the year 2004-2005

During the year 2004-2005 Four Board meetings were held on April 29 2004, July 29 2004, October 29 2004, January 29th 2005

Board Committees

The Board has set up the following committees as per the code of conduct for Corporate Governance.

1. Audit Committee

The Audit committee comprises of Mr Vasu, Mr Ganesh Krishna and Mr. P. Shreenivas Reddy. Mr G Vasu is the chairman of the Audit Committee. The role and terms of reference of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors. The Audit Committee met 4 times during the year 2004-2005 on 28th April 2004, 30th July 2004, 29th Oct 2004 and 28th Jan 2005. The representatives of the Statutory Auditors attended all the Audit Committee Meetings.

Names of Directors	Number of Committee Meetings Attended
Mr. Vasu G	4
Mr. P. Shreenivas Reddy	4
Mr. K. Ganesh Krishna	4

2. Shareholders' Grievance Committee

The shareholders' grievances committee is headed by Mr. P. Shreenivas Reddy, director and Mr. Vasu G and K. Ganesh Krishna as the other members of the committee. Mr. P. Shreenivas Reddy is the compliance officer.

During the year 2004-2005, all the complaints received from the shareholders and investors have generally been solved to the satisfaction of the complainants. There are no pending complaints.

3. Remuneration Committee

The remuneration committee as contemplated under the listing agreement is not presently required and will be constituted in due course.

4 Directors Remuneration

The company has not paid any remuneration to its directors during the year 2004-2005. The company has not paid any sitting fees either during the year 2004-2005.

5. General Body Meetings

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2003-2004	203/91 V.M. Street, Mylapore, Ch.4	30/09/2004	9.30 a.m.
2002-2003	203/91 V.M.St., Mylapore, Chennai 600004	30/09/2003	9.30a.m.
2001-2002	203/91 V.M.St., Mylapore, Chennai 600004	30/09/2002	10.30a.m.

6. Disclosures

During the year 2004-2005, the Company had no material significant related party transactions, which is considered to have potential conflict with the interests of the Company at large. There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

7. Management Discussion and Analysis Report.

A management discussion and analysis report forms part of the directors report.

8. Means of communication.

Half-Yearly report to shareholders , quarterly results, Newspaper in which published, website etc. The quarterly result was published in News Today and Maalai Sudar, Chennai.

9. General Shareholder Information

Annual General Meeting

Date and Time Friday, September 30th 2005 3.30 p.m.
Venue at Kasturi Srinivasan Hall (Mini Hall),
The Music Academy, New No 168, Old No 306
T.T.K. Road, Chennai 600 014

10. Financial Calender of the Company:

The financial year covers the period from 1st April 2004 to 31st March 2005.

Financial Reporting for 2005-2006 (tentative)

Results for 30/6/2005	End July 2005
Results for 30/9/2005	End October 2005
Results for 31/12/2005	End January 2006
Results for 31/3/2006	End April 2006

11. Date of Bookclosure

The period of book closure is fixed from 28th Sept to 30th Sept both days inclusive

12. Outstanding ADRs/ GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity : Not applicable

13. Listing on Stock Exchanges and Stock Code:

The shares of the Company are listed at the Madras Stock Exchange and Mumbai Stock Exchange' Company Code: 530703

Month	High	Low	Month	High	Low
April 2004	4.40	2.75	October 2004	4.15	3.40
May 2004	4.36	3.97	November 2004	4.04	1.37
June 2004			December 2004	2.60	1.90
July 2004	4.95	4.95	January 2005	3.00	2.01
August 2004	4.70	4.70	February 2005	3.00	1.90
September 2004	4.75	3.50	March 2005	3.01	1.80

14. Registrar and transfer agents, share transfer system

The Registrar of the Company is M/s Cameo Corporate Services Ltd., Chennai.

15. Distribution of Shareholding

No of Equity Shares Held	No of Shareholders	No of shares
Upto 500	6301	1388400
501-1000	679	588200
1001-2000	224	329400
2001-3000	77	189300
3001-4000	26	67800
4001-5000	26	128800
5001-10000	27	165800
10001 and above	31	2142300
Total	7391	5000000

16. Shareholding Pattern

Sl.No	Category	No.of Holders	No.of Shares	% of Shares
1	Resident Indian	7135	4100251	82.00
2	Domestic Companies	87	61149	1.22
3	NRIs	162	181000	3.62
4	Promoters	5	646200	12.92
5	Mutual Funds	1	800	0.02
6	Financial Institutions	1	10600	0.22
Total		7391	5000000	100.00

17. Dematerialisation of shares and liquidity.

As on 31.03.2005, 25,23,140 shares, that is 50.47 % were held in dematerialised form and the balance of 49.53 % of shares that is 24,76,860 shares were held in physical form.

Demat ISIN No. INE – 804D01011

18. Address for correspondence.

Company's Registered Office	Company Registrar
Info-drive Software Limited 203/91 V.M. Street, Mylapore, Chennai 600 004 Tel:24983244 / 24980616 Email: infodrive@pobox.com	M/s Cameo Corporate Services Limited, Subramanian Building, 5 th floor, No1, Club House Road, Chennai 600 002. Tel:28460390 Email:cameo@cameoindia.com

ACKNOWLEDGEMENT:

Your Directors wish to place on record their gratitude to the employees of the company, bankers, customers and shareholders for their continued confidence and support.

For and on behalf of the Board

Chennai
15th June 2005.

K.Shivakumar,
Managing Director.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Info-drive Software Limited

We have examined the compliance of conditions of Corporate Governance by M/s Info-drive Software limited, for the year ended 31st March 2005 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accounts of India, we have to state that as per the records maintained and certified by the Registrars and Share Transfer Agents of the company, there were no investor grievances remaining unattended / pending for more than 30 days as at 31st March 2005.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency of effectiveness with which the management has conducted the affairs of the company.

For K.S. REDDY ASSOCIATES
Chartered Accountants.

K.SUBBA REDDY
(Proprietor)

Place:Chennai
Date: 15th June 2005.

AUDITOR'S REPORT

To the Members of INFO-DRIVE SOFTWARE LIMITED.

We have audited the attached Balance Sheet of Info-Drive Software Limited as at 31st March 2005 and the Profit and Loss Account of the Company for the period ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of subsection (4A) of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - (c) The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Profit and Loss Account and Balance Sheet dealt with by 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, we report that none of the directors is disqualified as on March 31, 2005 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) **The company is incurring losses continuously and its net worth has been eroded substantially.**
 - (g) In our opinion and to the best of our information and according to the explanations given to us, 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 Balance Sheet of the state of affairs of the Company as at 31st March 2005 and;
 - (ii) In the case of the Profit and Loss Account of the Loss 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 Accounts.

K.SUBBA REDDY.

Proprietor

M.No.208754

Place: Chennai
Date: 15th June 2005.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 1 of our report of even date)

- (i) a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
b. As explained to us, all the fixed assets have not been physically verified by the management during the year.
c. During the year the company has not disposed off substantial part of the fixed assets and hence the going concern status of the company is not affected.
- (ii) a. The inventory have been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
b. In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and nature of its business;
c. In our opinion the company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account;
- (iii) a. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
b. The company has taken interest free loan to the tune of Rs.11.65 lakhs from two directors. Except that, during the year, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
c. The interest on the above loans have been waived by the directors and the other terms and conditions on which the above loans have been taken from the directors are not prima-facie prejudicial to the interest of the company.
d. The payment of the principal is as per the terms with directors. No interest is provided on the above loans;
e. There are no over due loans as per the terms and conditions on which the above loans have been taken.
- (iv) In our opinion and according to the information and explanations given to us there is no adequate internal control procedures 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 us, we are 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 our opinion and according to the information and explanations given to us, there are no transactions, made in pursuance of contracts or agreements 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 no 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(I) (d) of the Companies Act, 1956 for the company.

(ix) A. According to the records, information and explanations provided to us, 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 2005 for a period of more than six months from the date they become payable.

B. According to the information and explanations given to us , 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 our opinion and according to the information and explanations given to us, the companies accumulated losses at the end of the financial year is more than 50% of its net worth and the company has incurred cash losses in this financial year and in the previous year;

(xi)Based on our 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 our examinations and according to the information and explanations given to us, 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 clauses xiii of the Order is not applicable;

(xiv)The company is not dealing or trading in shares, securities, debentures and other investments;

(xv)On the basis of the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institutions;

(xvi)In our opinion, the company has not raised any term loans during the financial year;

(xvii)According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we 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 us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit..

For K.S, REDDY ASSOCIATES
Chartered Accounts.

Place: Chennai.

Date: 15th June 2005..

K.SUBBA REDDY
(Proprietor)

INFO-DRIVE SOFTWARE LIMITED**BALANCE SHEET AS AT 31ST MARCH 2005**

SOURCES:		Schedule	31.03.2005 (12 months)		31.3.2004 (12months)
SHARE HOLDERS' FUNDS					
SHARE CAPITAL	A		50,000,000	50,000,000	
RESERVES & SURPLUS	B		6,000,000	6,000,000	56,000,000
LOAN FUNDS					
Secured Loans		0.00		0.0	
Unsecured Loans	C	1,164,836		822,884	
			1,164,836		822,884
			57,164,836		56,822,884
APPLICATION OF FUNDS					
Fixed Assets	D				
Gross Block		11,999,113	11,999,113	11,929,149	
Less : Depreciation	I	6,952,646	6,952,646	6,749,381	
					6,749,381
			5,046,467		
CURRENT ASSETS, LOANS & ADVANCES					
a) Inventories	E	1,547,839		1,538,250	
b) Sundry Debtors	F	540,750		137,700	
c) Cash & Bank Balances	G	17,061		32,846	
d) Loans & Advances	H	417,386		1,087,925	
			2,523,036		2,796,721
Less : Current Liabilities	I				
			1,406,303		1,419,515
Net Current Assets	II		1,116,733		1,377,206
Miscellaneous Expenditure to the extent not written off	III				450,309
Profit and Loss Account	IV		51,001,636		49,815,601
			51,001,636		50,265,910
Total= I+II+III+IV			57,164,836		56,822,884

NOTES ON ACCOUNTS O

for and on behalf of Infodrive Software Limited

As per our report of even date,
For K.S.REDDY ASSOCIATES
Chartered Accounts**K.SHIVAKUMAR**
Mg. Director**K.GANESH KRISHNA**
Director**P.SHREENIVAS REDDY**
Director**G.VASU**
Director**K.SUBBA REDDY (Proprietor)**

**INFO-DRIVE SOFTWARE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2005**

INCOME	SCHEDULE	31.3.2005 12 months	31.03.2004 12months
Income from Operations	K	677,094	73,500
Other Income	L	-	48,238
		677,094	121,738
EXPENDITURE			
Increase/Decrease in Stock-in-trade	M	311,646	73,500
Administrative Selling and Other Expenses	N	1,348,218	1,815,937
Depreciation	D	203,265	289,798
		1,863,129	2,179,235
LOSS FOR THE PERIOD BEFORE TAXATION		1,186,035	2,057,497
Less Provision for Taxation		---	---
LOSS		1,186,035	2,057,497
Add : Loss brought forward from previous year		49,815,601	47,758,104
BALANCE CARRIED TO BALANCE SHEET		51,001,636	49,815,601

for and on behalf of Infodrive Software Limited

As per our report of even date,
For K.S.Reddy Associates
Chartered Accounts**K.SHIVAKUMAR**
Mg. Director**K.GANESH KRISHNA**
Director**P.SHREENIVAS REDDY**
Director**G. Vasu**
Director**K.Subba Reddy**
Proprietor.

INFO-DRIVE SOFTWARE LIMITED**SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2005**

SCHEDULE – A:	31.03.2005(12months)	31.3.2004(12months)
Share Capital- Authorised:		
50,00,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
<u>Issued, Subscribed & Paidup:</u>		
50,00,000 Equity Shares of Rs.10/- each fully paid up	50,000,000	50,000,000
SCHEDULE – B:		
RESERVES & SURPLUS: Share Premium Account	6,000,000	6,000,000
SCHEDULE – C		
Unsecured Loan: a. Directors	1,164,836	822,884
SCHEDULE – E: INVENTORIES		
Stock of Bharata natyam CDs	1,538,250	1,538,250
Stock of Bharata natyam DVDs	9,589	-
(As valued and certified by management)	1,547,839	1,538,250
SCHEDULE – F: Sundry Debtors		
(unsecured and considered goods)		
More than six months	-	137,700
Less than Six months	540,750	0.00
	540,750	137,700
SCHEDULE – G: Cash & Bank Balances:		
Cash on hand	4,010	31,389
with Scheduled Banks – in current accounts	13,051	1,457
	17,061	32,846
SCHEDULE –H: Loans and advances:		
Advances (Recoverable in cash or kind or for value to be received)		
Deposits with Government Departments	206,885	206,885
Other Advances	185,50	856,040
Fixed deposit – bank guar. Dispute consumer forum	25,000	25,000
	417,386	1,087,925
SCHEDULE – I :Current Liabilities & Provision:		
a.Sundry Creditors:		
For Trade & Others	563,910	867,641
For Expenses	842,393	551,874
b. Provisions	-	-
	1,406,303	1,419,515
SCHEDULE J Miscellaneous Expenditure		
Opening Balance	450,309	908,436
Less: Written off During the year	450,309	458,127
	-	450,309

INFO DRIVE SOFTWARE LIMITED - CHENNAI**SCHEDULES FORMING PART OF THE BALANCE SHEET**

SCHEDULE - D								DEPRECIATION		FIXED ASSETS	
Sl. No.	Net Block as on 01.04.2004	Particulars	Gross Block as on 01.04.2004	Add ition on Dur ing the year	With Dra wn	Gross Block as on 31.03.2005	Upto 01.04.2004	for the Peri od	Wit hdr awn	Total	Net Block as on 31.03.2005
1	753,260	Plant & Machinery	1,757,236	-	-	1,757,236	1,003,976	83,469	-	1,087,445	669,791
2	742,901	Furniture & Fittings	1,791,202	-	-	1,791,202	1,048,301	113,383	-	1,161,684	629,518
3	81,941	Office Equipments	135,017	944	-	135,961	53,076	6,413	-	59,489	76,472
4	100	Computers	4,644,128	-	-	4,644,128	4,644,028	-	-	4,644,028	100
5	1,767,774	Software Package	1,767,774	69,020	-	1,836,794	-	-	-	-	1,836,794
6	1,833,792	Goodwill	1,833,792	-	-	1,833,792	-	-	-	-	1,833,792
	<u>5,179,768</u>	Total	<u>11,929,149</u>	<u>69,964</u>	<u>-</u>	<u>11,999,113</u>	<u>6,749,381</u>	<u>203,265</u>	<u>-</u>	<u>6,952,646</u>	<u>5,046,467</u>

**INFO-DRIVE SOFTWARE LIMITED SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST MARCH 2005**

SCHEDULE – K	31.03.2005 (12 MONTHS)	31.3.2004 (12 MONTHS)
INCOME FROM OPERATIONS		
Sales	658,025	73,500
Website receipts	19,069	-
	677,094	73,500
SCHEDULE – L Other Income :		
Interest received	-	43,738
	-	-
Other Income	-	4,500
		48,238
SCHEDULE –M: INCREASE/DECREASE IN STOCK:		
Opening Stock	1,538,250	1,611,750
Add: DVD Conversion charges	32,235	
	1,859,485	1,611,750
Less: Closing Stock	1,547,839	1,538,250
	311,646	73,500
SCHEDULE – N : ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	144,000	144,000
Printing and Stationery	60,523	95,850
Postage and Telephones	50,920	62,731
Travelling and Conveyance	-	16,875
Consultancy Charges	5,500	3,000
Miscellaneous expenses	570	1,001
Electricity Charges	5,851	4,753
Loss on obsolescence of fixed assets	-	705,136
Audit Fees	10,000	15,000
Advertisement	31,363	3,500
Listing Fees	79,850	10,000
Filing fees	2,000	5,500
Adjustment for prior period	309,289	-
Folio Maintenance Charges/Filing Fees	39,668	14,500
Franchise fees refunded	-	200,000
Meeting Expenses	8,975	28,500
Repairs and Maintenance	-	12,370
Legal expenses	-	19,500
Issue Expenses	450,309	458,127
Bad Debts Written Off	137,700	-
Office Maintenance	8,075	12,000
Bank Charges	3,625	3,594
	1,348,218	1,815,937

INFO-DRIVE SOFTWARE LIMITED SCHEDULE –O NOTES ON ACCOUNTS

Schedules forming part of the balance sheet as at 31st march 2005 and the profit and loss account for the period ended on that date.

ACCOUNTING POLICIES

1. The accounts are prepared in accordance with normally accepted accounting policies.
2. The company follows mercantile system of accounting.
3. Fixed Assets are stated at the historical cost of acquisition and improvements thereon.
4. Incomes and Expenses are accounted on accrual basis.
5. No provision for depreciation has been made on the assets good will and software packages.
6. Preliminary expenses and issue expenses are being amortised over a period of ten years.
7. Stock is valued at cost or marked price whichever is lower.
8. Quantitative information

	Opening	Production	Sales	Closing Stock
Software – CD	1,465	-	-	1,465
Software – DVDs -	134	130	4	
9. Foreign Currency transactions:

	This year(Rs)	Last year(Rs)
Earnings in Foreign Currency	19,069	Nil
Expenditure in Foreign Currency	Nil	Nil
10. As there is no manpower is employed during the period under review the question of provision for gratuity and leave encashment does not arise.
11. The provisions of Employee State Insurance Act are not applicable to the Company.
12. Depreciation: Depreciation of 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.
13. Sundry Creditors do not include any dues to SSIs
14. Contingent liabilities: No provision has been made against the complaint lodged on the company before the district consumer forum at Coimbatore, which involved an amount of Rs. 25,000/- The company is hopeful of succeeding the case. However, the company has given bank guarantee to the extent of Rs.25,000/-
15. During the year the company has written off an amount of Rs. 3,09,289/- as prior period item which is credited in the earlier years under other income on account of one time settlement.
16. During the year an amount of Rs.1,37,700/- was written off as abd debts as it is not recoverable in spite of the best efforts made by the company to recover the amount.
17. The figures in the Balance Sheet and Profit and Loss Account have been rounded off to the nearest rupee.
18. Previous year figures have been regrouped wherever necessary.
19. The company does not envisage any taxable income in the near future. Hence, the directors of the company are of the opinion that no provision is necessary for differed tax assed/ liability as on 31st March 2005 as per Accounting Standard 22 issued by the Institute of Chartered Accountants of India.
20. As the company is dealing with one product, namely software CDs/DVDs and as it is only sold locally the segment reporting as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India are not applicable to the company.
21. Related parties disclosures: The company does not have any holding company, subsidiary company , associate company or companies controlling the company as defined under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. However as a matter of abundant transparency, transactions with various parties related the company are disclosed hereunder.
 - a. Key Management Personnel : K. Shivakumar, Managing director.
 - b. Relatives to key Management Personnel : K. Ganesh Krishna, Director and R.K. Sivanandavalli

Disclosure of transactions between the company and related parties and outstanding balances as on 31st March 2005.

Nature of transaction	31.3.2005	31.3.2004
a. Key Management Personnel		
Remuneration	----	----
Loan Received	11,38,400	8,22,824
b. Rent payable to relative of key		
management	5,57,000	4,13,000
22. Earnings per share : Basic and diluted earnings per share calculated in compliance with the Provisions of Accounting Standard 20 (AS20) for the year ending 31st March 2005 comes to (-)0.24 (Previous year Rs.(-)0.41) and Rs.(-)0.24 (Previous year Rs.(-)0.41) respectively.
 Basic Earnings per share = Loss Rs. 1186035/5000000=Rs.(-)0.24 p.a.
 Diluted Earnings per share – Loss Rs.1186035/5000000= Rs. (-)0.24 p.a.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**I. REGISTRATION DETAILS**

Registration No.15475

State Code – 18

Balance Sheet Date – 31.03.2005

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousand)

Public Issue – NIL

Rights Issued – NIL

Bonus Issue – NIL

Private Placement – NIL

iii. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities :	57165	Total Assets :	57165
<u>Sources of Funds</u>			
Paid - up Capital –	50000	Net Fixed assets:	5046
Reserves and surplus –	6000	Investments:	Nil
Secured Loans –	NIL	Net Current Assets:	1117
Unsecured Loans –	1165	Misc Expenditure:	Nil
		Accumulated Losses:	51002

IV. PERFORMANCE OF THE COMPANY (Amount in Rs.Thousand)

Turnover –	677	Total Expenditure :	1863
Profit (Loss) before tax-	(1186)	Profit/(loss) after tax:	(1186)
Earnings per share in Rs.	-0.24	Dividend rate%	Nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code : 85241000
Product Description : Software

Signatures to Schedule **A to O**
for and on behalf of Infodrive Software Limited

As per our report of even date,
For K.S.Reddy Associates
Chartered Accounts

K.SHIVAKUMAR K.GANESH KRISHNA
Mg. Director Director

P.Shreenivas Reddy
Director Director

G. Vasu
Director Director

K.Subba Reddy
Proprietor.

INFODRIVE SOFTWARE LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2005****(A) Cash flow from operating Activities**

	31.3.2005	31.3.2004
--	------------------	------------------

Net Profit before tax	(1,186,035)	(2,057,497)
-----------------------	-------------	-------------

Adjustment for

Depreciation	203,265	289,798
--------------	---------	---------

Miscellaneous Expenses written off	450,309	458,127
------------------------------------	---------	---------

Other income	-	(48,238)
--------------	---	----------

Operating Profit before working capital changes	(532,461)	(1,357,810)
---	-----------	-------------

Adjustment for: Increase/(-) Decrease in

Sundry Debtors	(403,050)	(68,250)
----------------	-----------	----------

Loans & Advances	670,539	445,012
------------------	---------	---------

Inventories	(9,589)	73,500
-------------	---------	--------

Trade Payable	(13,212)	1,291
---------------	----------	-------

Cash Generated from/(used in) operations	244,688	451,553
--	---------	---------

Interest paid	-	-
---------------	---	---

Other income	-	48,238
--------------	---	--------

Net Cash from Operating Activities	(A)	(287,773)	(858,019)
---	------------	------------------	------------------

B.Cash Flow From Investing Activities:

Sale / Withdrawal of Fixed Assets	(69,964)	1,535,000
-----------------------------------	----------	-----------

Withdrawal of Depreciation	-	(829,864)
----------------------------	---	-----------

Net Cash flow from/(used in) investing Activities	(B)	(69,964)	705,136
--	------------	-----------------	----------------

C.Cash Flow From Financing Activities:

Long Term Borrowings (Net)	-	-
----------------------------	---	---

Short Term Borrowings (Net)	341,952	36,466
-----------------------------	---------	--------

Net cash from Financing Activities	(C)	341,952	36,466
---	------------	----------------	---------------

Net increase/Decrease in cash and cash `Equivalents	15,785	116,417
--	---------------	----------------

Cash & Cash Equivalents (Opening Balance)	32,846	149,263
---	--------	---------

Cash & Cash Equivalents (Closing Balance)	17,061	32,846
---	--------	--------

for and on behalf of Infodrive Software Limited

K.SHIVAKUMAR K.GANESH KRISHNA P.Shreenivas Reddy G.VASU

Mg. Director Director Director Director

Auditor's Certificate: The above cash flow statement has been prepared on the basis of audited accounts by the Board of Directors and is in agreement with the Profit and Loss Account and Balance Sheet..

Place : Chennai

Date:15 June 2005.

For K.S.REDDY ASSOCIATES
Chartered Accountants
K.SUBBA REDDY (Proprietor)

info - drive SOFTWARE LIMITED

Regd. Office: No.New 203 (old 91) V.M.Stree,Mylapore,Chennai-4

ATTENDANCE SLIP

Regd Folio :..... DP Id*:
 No. of Shares Held:..... Client Id:.....
 Mr./Mrs/Miss:.....

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company held at Kasturi Srinivasan Hall(Mini Hall)The Music Academy New No 168, Old No 306 T.T.K. Road, Chennai 600 014 at 3.30 p.m on Friday the 30th of September 2005.

.....

Member's/Proxy's Name (In block letters)

Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

info - drive SOFTWARE LIMITED

Regd. Office: No.New 203 (old 91) V.M.Stree,Mylapore,Chennai-4

PROXY FORM

Regd Folio :..... DP Id*:
 No. of Shares Held:..... Client Id:.....

I/We
 Of being a member(s) of Info-Drive Software Limited
 hereby appoint.....
 Of

As my/our proxy to vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company on Friday the 30th September, 2005 and at any adjournment thereof.

Signed this day of 2005

Signature of the Member

1 Rupee

Revenue
Stamp

- Note:
1. The Proxy need not be a member.
 2. The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
 3. * Applicable for investors holding shares in electronic form.

Please Note: No gifts are given