



Info-Drive Software Ltd.

2008 21st Annual Report



Making the
right moves



INFO-DRIVE SYSTEMS SDN BHD
23A-2A-1, Plaza Sentral-Phase2
Jalan Stesen Sentral 5
Kuala Lumpur Sentral 50470
Kuala Lumpur
MALAYSIA
Tel.: +60 - 3 - 2773 5710
Fax: +60 - 3 - 2780 2131

PRECISION INFOMATIC (MADRAS) PVT LTD
22, First Floor, Habibullah Road
T. Nagar, Chennai - 600 017
INDIA
Tel.: +91 - 44 - 4219 9500
Fax: +91 - 44 - 4219 9502

INFO-DRIVE SOFTWARE LTD
Buhari Building, Second Floor
No. 3, Moores Road
Chennai - 600 006
INDIA
Tel.: +91 - 44 - 2821 2368
Fax: +91 - 44 - 2821 2609

INFO-DRIVE SOFTWARE LLC
P.O. Box No.: 82049
Deira, Dubai
UNITED ARAB EMIRATES
Tel.: +971 - 4 - 2732 433
Fax: +971 - 4 - 2736 733

INFO-DRIVE SOFTWARE PTE LIMITED
Level 25, One Raffles Quay
Singapore 048583
SINGAPORE
Tel.: +65 - 6622 5535
Fax: +65 - 6622 5999

INFO-DRIVE SOFTWARE INC
300 Park Avenue, 17th Floor
New York City
New York 10022
UNITED STATES OF AMERICA
Tel.: +1 - 212 - 572 - 6217

INFO-DRIVE SOFTWARE INC
830 Stewart Drive, Ste#268
Sunnyvale, CA 94085
UNITED STATES OF AMERICA
Tel / Fax: +1 - 408 - 245 - 7400

TECHNOPRISM LLC
2001 Gateway Place
Suite 425E, San Jose, CA 95110
UNITED STATES OF AMERICA
Tel.: +1 - 408 - 954 - 7358

survival of the fit



"It is not the strongest of the species
that survives, nor the most intelligent
that survives. It is the one that is the
most adaptable to change."

- Charles Darwin

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Message from the Chief Mentor

Dear Shareholders,
My warm and sincere
greetings to all of you
on this momentous
occasion. I take this
opportunity to share
my perspectives on
some of the key
themes driving your
Company's growth
aspirations.



Message from the Chief Mentor

Macro Economic Scenario

The world, as we all know, has changed dramatically in the last one year. At this juncture, the most surprising element is not just the absolute decline in growth, but the speed of the decline, which makes the future very difficult to predict. Nevertheless, even in these extraordinarily difficult times, we continue to believe there is an opportunity. We enter 2009 from a position of strength. Your Company has been able to sustain its financial goals in revenues and margins in the face of the most precipitous decline in global economic activity in our lifetimes, coupled with increasing competition, wage inflation and volatile currency movements. We are conscious of the challenges that the global economy presents and are prepared to confront and leverage them. We have adequately invested on people, processes and domain expertise to make our service offerings attractive and our business model sustainable on an ongoing basis.

Your Company's Performance

Within a short span of two years since taking over the Company, the new board and the management team have done an outstanding job of executing the stated vision of becoming a specialized provider of niche services across IT & ITeS / BPO domains in uncontested markets. We have been able to sustain our revenues on a year-on-year basis and registered a growth in the net profit compared to the last fiscal period. In light of this creditable performance on an absolute as well as on a relative scale to the industry benchmark, your company is pleased to announce a dividend of five percent (5 %) for this financial year as well.

The Road Ahead

As our clients reach a fulcrum point in their decisions on how to deal with today's business realities, we believe demand for our services can only get exponentially higher from what we have witnessed so far. We are a logical provider to the integrated solutions companies are seeking today in the realm of composite package of hardware, networking, software & product enabled solutions, domain-centric business process management and turnkey project management of technology implementations.

Just as we are focused on helping our clients implement cost saving initiatives and preserve and manage cash, we too have taken this business fundamental very seriously in the last year and will continue to drive internal efficiencies.

We see this as an opportunity to reset the bar on our costs and to operate at a different cost discipline level. Our employees too recognize the extent of the recession and the need for swift, decisive actions to deliver results. The current environment has also benefited our business by reducing attrition and stabilizing wage rates. We see today's operating environment as an opportunity to invest in building internal skills and acquiring domain expertise, and the potential to acquire global talent has never been better. I firmly believe that companies that invest in times of recession emerge as market leaders.

And as we tackle the challenges of 2009 Corporate Governance will remain a top priority. At Info-Drive, we operate in a values driven environment and I am confident that the risk management framework we have in place, along with rigorous internal controls, and the support of a strong, independent board of directors will serve us well.

A Word of Thanks

We continue to receive great support from our clients, our bankers, our business partners, our board and our employees. Thank you for a great FY2008-2009. And thank you to our shareholders for their continued belief in our mission to make Info-Drive a truly world-class services firm. We assure you that we are well positioned to take advantage of the current environment to strengthen our position and brand in the markets we operate in. We shall always strive to surpass your expectations and live up to the trust you have invested on us.

Regards,



Arif B Rahman
Chief Mentor

Board & Committees

“Coming together is a beginning.
Keeping together is progress.
Working together is success.”

- Henry Ford

Info-Drive Software Ltd.

BOARD OF DIRECTORS

V. N. Seshagiri Rao
Director

K. Chandrasekaran
Managing Director & CEO

N. T. Shivkumar
Whole Time Director & COO

K. Shivakumar
Joint Managing Director

A. T. Krishnakumar
Independent Director

Singanallur Narayanan
Independent Director

S. Sriraman
Independent Director

Mohan Ranganathan
(Alternate Director to
Mr. Singanallur Narayanan - Independent Director)

BOARD COMMITTEES

Audit Committee

A. T. Krishnakumar
Independent Director

V. N. Seshagiri Rao
Director

K. Chandrasekaran
Managing Director & CEO

Singanallur Narayanan
Independent Director

S. Sriraman
Independent Director

Shareholders' Grievance Committee

V. N. Seshagiri Rao
Director

K. Shivakumar
Joint Managing Director

Mohan Ranganathan
(Alternate Director to
Mr. Singanallur Narayanan - Independent Director)

V. Gopal Rao
President - Legal & Company Secretary
(Compliance Officer)

Remuneration Committee

K. Chandrasekaran
Managing Director & CEO

A. T. Krishnakumar
Independent Director

Singanallur Narayanan
Independent Director

Investment Committee

V. N. Seshagiri Rao
Director

K. Chandrasekaran
Managing Director & CEO

K. Shivakumar
Joint Managing Director

A. T. Krishnakumar
Independent Director

Share Allotment Sub-Committee

V.N. Seshagiri Rao
Director

K. Shivakumar
Joint Managing Director

V. Gopal Rao
President - Legal and Company Secretary

ADVISORS

K. K. Aithal

Prof. Dr. Balachandran
A. Shanmugam

Satish Bhalariao

Board of Directors and Committees

Subsidiaries

BOARD OF DIRECTORS

Info-Drive Software Inc. (USA)

K. Chandrasekaran
Director

N.T. Shivkumar
Director

Komal Sriram
Director

Info-Drive Systems Sdn Bhd. (Malaysia)

Arif Buhary Rahman
Director

Mohd. Nahar Bin Noordin
Director

Prof. Dr. Balachandran
A. Shanmugam
Director

G. Manoharan
Director

K. Chandrasekaran
Director

N. T. Shivkumar
Director

Info-Drive Software LLC. (Dubai)

Khalid Abdulla Ahmad Al Ghurair
Director

Arif Buhary Rahman
Director

Precision Infomatic (M) Pvt. Ltd. (India)

Mathew Chacko
Director

V. Murali
Director

T. G. Ramesh
Director

N. T. Shivkumar
Director

K. Chandrasekaran
Director

Singanallur Narayanan
Independent Director

Mohan Ranganathan
(Alternate Director to Mr. Singanallur Narayanan)

Precision Techserve Pvt. Ltd. (India)

P. Ramesh
Director

V. M. Muralidharan
Director

Mathew Chacko
Director

V. Murali
Director

T. G. Ramesh
Director

N. T. Shivkumar
Director

Precision Galaxy Pvt. Ltd. (India)

Mathew Chacko
Director

V. Murali
Director

T. G. Ramesh
Director

N. T. Shivkumar
Director

Legend Systems Pvt. Ltd. (India)

Mathew Chacko
Director

V. Murali
Director

T. G. Ramesh
Director

N. T. Shivkumar
Director

K. Jayashankar
Director

Precision Techconet Pvt. Ltd. (India)

Mathew Chacko
Director

V. Murali
Director

T. G. Ramesh
Director

Balaji Subramanian
Director

N. T. Shivkumar
Director

Info-Drive Software Pte Ltd. (Singapore)

K. Chandrasekaran
Director

N. T. Shivkumar
Director

Poonamallee Ramaswamy Kumar
Director

Info-Drive Software Ltd. (Canada)

N. T. Shivkumar
Director

K. Chandrasekaran
Director

Dorairajan Sampath
Director

Technoprisim LLC. (USA)

Pradeep Uchil
Director

Sukhdev Singh
Director

K. Chandrasekaran
Director

N. T. Shivkumar
Director

Mohan Ranganathan
Director

Management Team

V. Gopal Rao

President - Legal & Company Secretary

ANL Madhavann

Chief Financial Officer

S. Ramachandran

Chief HR Officer

Komal Sriram

Sr VP & Head of Pension BPO Practice

G. Manoharan

Sr VP & Head of Far East Region

Mathew Chacko

Sr VP (Global Product & Technology Strategy)

V. Murali

Sr VP (Global Systems Integration Practice)

T. G. Ramesh

Sr VP (Finance & Accounts)

P. Ramesh

Business Leader (Networking & Infrastructure Mgmt Practice)

V. M. Muralidharan

Business Leader (Domestic Infrastructure Mgmt Sales)

Balaji Subramanian

Business Leader (Applications & Software Services Practice)

Feroz K. P.

VP Business Development - SE Asia

Krishnan

Country Sales Manager - Systems Integration

Prasanna Kumar

VP & Head of e-Living & Business Consulting Practice

Pradeep Uchil

Business Leader of Global IT practice

Sukhdev Singh

VP - Project Delivery

Smitha Iyer

Senior Manager - Corporate Affairs

CORPORATE INFORMATION

Board of Directors

Mr. V. N. Seshagiri Rao	Director
Mr. K. Chandrasekaran	Managing Director & Chief Executive Officer
Mr. N. T. Shivkumar	Whole Time Director & Chief Operating Officer
Mr. K. Shivakumar	Joint Managing Director
Mr. A. T. Krishnakumar	Independent Director
Mr. Singanallur Narayanan	Independent Director
Mr. S. Sriraman	Independent Director
Mr. Mohan Ranganathan	Independent Director (Alternate to Mr. Singanallur Narayanan)

Company Secretary

Mr. V. Gopal Rao	B.Sc., B.L., F.C.S.
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Chief Financial Officer

Mr. ANL Madhavann	B.Sc., FCA, FCS., PGDBA, BGL
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Auditors

M/s. K. S. Reddy Associates Chartered Accountants	New No.36/191, First Floor North Usman Road, T. Nagar Chennai - 600 017, India Tel. : +91 - 44 - 4260 5656 Mobile: +91 - 94444 04761
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Secretarial Auditors

Mr. T. Balasubramanian Practising Company Secretary	“Firdous”, First Floor 25/11, Cenotaph First Street Teynampet Chennai – 600 018, India
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Bankers

Union Bank of India Axis Bank Ltd.

Depository Services

Share Transfer Agents

Cameo Corporate Services Limited	“Subramanian Building” No. 1, Club House Road Chennai – 600 002, India Tel.: +91 - 44 - 2846 0390 Fax: +91 - 44 - 2846 0129
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Registered Office

Info-Drive Software Limited	Buhari Buildings, Second Floor No. 3, Moores Road Chennai – 600 006, India Tel.: +91 - 44 - 2821 2368 Fax: +91 - 44 - 2821 2609 Website: www.infodriveservices.com E-mail: info@infodriveservices.com
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NOTICE

NOTICE is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company will be held at the “The Music Academy”, “Kasthuri Srinivasan Hall”, New No.168, T.T.K. Road, Royapettah, Chennai - 600 014, India, at 10.30. a.m. on Wednesday, the September 23, 2009 to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended March 31, 2009 and the Balance Sheet as on that date together with the Directors' Report and the Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Mr. Singanallur Narayanan, Director, who retires by rotation. Mr. Singanallur Narayanan being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. K. Shivakumar, Director, who retires by rotation. Mr. K. Shivakumar being eligible offers himself for reappointment.
5. To appoint Auditors for the Company, to hold Office from the conclusion of this Annual General Meeting till the conclusion of the 22nd Annual General Meeting and to fix their remuneration. M/s. K. S. Reddy Associates, Chartered Accountants, Chennai, who are presently the Auditors are eligible for reappointment and have expressed their willingness to be appointed as the Auditors of the Company.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

Appointment of Mr. K. Chandrasekaran, Managing Director & Chief Executive Officer.

“**RESOLVED** that pursuant to the provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the appointment of Mr. K. Chandrasekaran as Managing Director & Chief Executive Officer of the Company, for a period of three years with effect from September 28, 2007 to September 27, 2010 be and is hereby ratified.”

“**RESOLVED FURTHER** that the said appointment be made in accordance with the terms and conditions as set out in the Explanatory Statement annexed hereto.”

“**RESOLVED FURTHER** that in the event of loss or inadequacy of profits in any financial year, the Managing Director & Chief Executive Officer shall be paid remuneration by way of salary, perquisites and allowances as specified above or as may be decided by the Board of Directors.”

“**RESOLVED FURTHER** that the terms and conditions set out for appointment and payment of remuneration herein, may be altered and varied from time to time by the Board of Directors of the Company as it may, in its discretion deem fit so as not to exceed the limits specified under Schedule XIII to the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto on and from such date as may be determined by the Board of Directors.”

“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to take all necessary steps including filing of necessary applications, forms, letters, etc., with the Government and other authorities to give effect to the above resolution.”

By Order of the Board
For **INFO-DRIVE SOFTWARE LIMITED**

Sd/-
Chennai
07.08.09

V. Gopal Rao
President - Legal & Company Secretary

NOTES

1. Every member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company. 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 16, 2009 to September 23, 2009 both days inclusive.
3. Members are requested to notify the Company at its Registered Office or to the Share Transfer Registrar 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 least two days in advance, to enable gathering of data needed for the replies.
5. Dividend if declared will be paid to such members whose names appear in the Register of Members on the last day of closure of Books.
6. Members desirous of availing Electronic Clearing System (ECS) / Bank Mandate may please fill up the enclosed form and forward to M/s. Cameo Corporate Services Limited, Unit: Info-Drive Software Limited, "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, India.
7. No gifts or complimentary items will be distributed.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6: Mr. K. Chandrasekaran was appointed as the Managing Director & Chief Executive Officer of the Company under Section 269 read with Schedule XIII of the Companies Act 1956 on September 28, 2007 at a Board Meeting. Subsequently, necessary returns were filed with the Registrar of Companies. The matter is being placed at this Annual General meeting for consideration of ratifying the appointment and approving the remuneration in terms of Schedule XIII and the Board of Directors recommend passing of the resolution as Mr. K. Chandrasekaran has been rendering yeomen service.

Mr. K. Chandrasekaran is a qualified Chartered and Cost Accountant and has over two decades of experience in the Corporate Sector both in India and abroad. He has handled large Merger and Acquisition deals of IT Companies and also companies in other areas. He has been instrumental in launching a BPO venture in the Middle East as a Joint Venture between a large conglomerate in the Middle East and the reputed Indian Corporate Group. He is spear-heading the Corporate think tank, governance, vision process and business strategy.

After considering various factors, the Remuneration Committee recommended the remuneration for Mr. K. Chandrasekaran. The minimum remuneration payable to Mr. K. Chandrasekaran be in accordance with Sub Section A of Section 1 of Section II of Part II of Schedule XIII.

In addition to the basic salary payable to Mr. K. Chandrasekaran, he shall be entitled to perquisites in line with Schedule XIII of the Companies Act 1956.

Mr. K. Chandrasekaran has been associated with the Company for past four years and under his leadership, the Company has made significant progress to transform itself into a significant player in the IT field.

The Board is of the opinion that his appointment as the Managing Director & Chief Executive Officer of the Company would be in the best interest of the Company and accordingly the resolution at Item No.6 of the Notice is recommended for Members' approval. The remuneration will be paid on and from such date as may be determined by the Board of Directors.

Except Mr. K. Chandrasekaran, none of the other Directors is interested in this Resolution.

This explanation together with the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

By Order of the Board
For **INFO-DRIVE SOFTWARE LIMITED**

Chennai
07.08.09

Sd/-
V. Gopal Rao
President - Legal & Company Secretary



Directors' Report

To the Members,

Your Directors are pleased to present their 21st Annual Report, to the members, on the business and operations of Info-Drive Software Limited.

Directors' Report

To the Members,

Your Directors are pleased to present their 21st Annual Report, to the members, on the business and operations of Info-Drive Software Limited (hereafter referred to as 'InfoDrive') together with Audited Accounts for the financial year ended March 31, 2009.

Financial Results

Your Company, despite the challenging macroeconomic environment continued to see a steady and profitable growth in the financial year 2008-09, driven by steady performance in existing and new areas of business.

The highlights of Consolidated Financial Results of your Company and its Subsidiaries are as follows:

	Rs. Lacs	
	2008 - 09	2007 - 08
Turnover / Income from operations	19981.26	19316.1
Other Income	185.76	94.21
Interest and finance charges	391.33	283.77
Profit / (Loss) after Tax (after Minority Interest adjustment)	801.71	772.43
Proposed Dividend (incl. dividend tax)	171.05	174.95
Balance Profit / (Loss) brought forward from the previous year	74.21	(523.27)
Balance Profit / (Loss) carried to Balance Sheet	704.87	74.21

The highlights of Financial Results of your Company as a Stand alone entity are as follows:

	Rs. Lacs	
	2008 - 09	2007 - 08
Turnover / Income from operations	1364.84	424.70
Other Income	96.72	48.98
Interest and finance charges	18.58	17.06
Profit / (Loss) after Tax	521.97	227.67
Proposed Dividend (incl. dividend tax)	171.05	171.05
Balance Profit / (Loss) brought forward from the previous year	(466.66)	(523.28)
Balance Profit / (Loss) carried to Balance Sheet	(115.74)	(466.66)

Dividend

There is a big change in the global economy and your Company has been able to adapt well and march along and the overall performance has improved.

Keeping in mind your Company's future outlook and the avowed objective to reward the Shareholders, the Board shall maintain its policy of returning a portion of its free cash flow to its shareholders at a level it considers prudent in light of the current economic and financial environment.

The Board is pleased to recommend a Dividend of 5% (Rs. 0.50 paise) per share for FY 08-09. The dividend will be paid in line with applicable regulations, if approved by the shareholders at the Annual General Meeting.

The Board is confident of ensuring sustainable returns to the Shareholders for now and many years to come.

Business

Operating Results and Business of Consolidated Operations

Your Company's Income from operations grew by 3.44% to Rs. 1998.13 million in 2009 from Rs. 1931.62 million in 2008 thus making a further growth in 2009. The corresponding Total expenditure including depreciation is 1933.83 million in 2009 from Rs. 1829.86 million in 2008. Correspondingly Profit after Tax grew by 3.79 % from Rs. 77.24 million to Rs. 80.17 million.

The Company continued to win new engagements and grow existing relationships in the traditional area of Hardware Sales & Maintenance, Systems Integration and has strengthened its presence in areas such as IT Consulting and IT Infrastructure Management services. The broad range of services enables your Company to provide "end-to-end" solutions to its clients - combined with its geographical spread provided comprehensive and high value added services to its clientele.

The Company in FY 08-09 has chalked out a new strategy and has realigned its operating structure and enhanced technology offering. The revised organizational operating structure paves the way for more accountability & performance by casting a P&L responsibility on Heads of Operations. Your Company today is much more focused and is executing at a higher efficiency than a year ago.

The synergy between the subsidiaries which have been acquired in the past are yielding results in making InfoDrive as a group, provider of end-to-end comprehensive solutions.

Operating Result and Business of Stand alone Operations

Your Company's Income from operations grew by 221% to Rs. 136.48 million in 2009 from Rs. 42.47 million in 2008

thus making further growth in 2009. The corresponding Total expenditure including depreciation is Rs. 92.76 million in 2009 from Rs. 18.74 million in 2008. Correspondingly the Profit after Tax increased by 129% to Rs. 52.19 million in 2009 as compared to a profit of Rs. 22.76 million in 2008.

Your Company's Stand alone operations have shown substantial growth. We seek long term engagements with clients while addressing their Outsourcing requirements. Our customer centric approach has resulted in high level of client satisfaction. The demand for your Company's services continues to look robust, and the relentless focus on niche areas within Business Process Outsourcing (BPO) and Information and Communication Technology (ICT) services continues to resonate with target customers.

Your Company's chosen target segment in BPO space does not have any exposure to the recession in USA and has not seen any slowdown in demand from its US clients. USA continued to be the largest market for our BPO operations.

We derived 75 percent of our BPO revenues from repeat business. Your Company continues to believe that, for the nature of services it provides, growth is predicated on superior service delivery execution, ongoing value enhancing workflow and domain competency rather than on vagaries of macroeconomic market forces.

Your Company's investments in uncontested market opportunities and innovation have enabled it to conceptualize and undertake a large, end-to-end critical project in 'Digi-Life' segment. As part of this practice initiative, your Company has won several high-value contracts in Information and Communication Technology (ICT). We have rapidly established ourselves as industry leaders in creating 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.

The quality of revenue and the annuity nature of our client contracts make our growth plans highly predictable and sustainable over a longer time horizon, relative to our sector peers. The global economic events and the resultant slow-down has created enormous headwind to the growth of services industry in general and offshore outsourcing industry in particular. Your Company's investments in new growth engines like e-living, specialized service offerings in BPO like Benefits Administration Services and value centrality in the large Systems Integration projects have helped convert today's challenging market environment into opportunities for growth.

Even in this difficult environment, your Company continues to make substantial investments in developing

our domain expertise and strengthening our technology competencies. Your Company is focused on Intellectual Property (IP) led growth strategy in some of the chosen service offerings and as a testimony have built several tools like InsTIL, CampIT, industry pioneering Biometrics solutions and are actively offering these to several blue-chip clients, as an integral part of our service offerings. As a result of these initiatives, your Company is well equipped to benefit when the global economy revives and the uptick on IT spend becomes significant.

While the external macroeconomic conditions continue to be uncertain, we believe that our professional management team will continue to surpass your expectations as witnessed over the last two years.

Branch

Info-Drive Software Limited (Singapore)

Info-Drive Software Limited (Singapore Branch) was incorporated in November 2007, to expand its business in Hardware Sales & support services business in Singapore. The Company has recently signed a reseller agreement with Hewlett-Packard Singapore (Sales) Pte Ltd ("HP") for selling the entire line of HP's Products in India.

Subsidiaries

Your Company today is a global corporation having presence in 5 countries :

Subsidiary	Country of Incorporation
Info-Drive Software Inc	United States of America
Info-Drive Systems Sdn Bhd	Malaysia
Info-Drive Software LLC	United Arab Emirates
Precision Infomatic (Madras) Pvt Ltd	India
Info-Drive Software Pte Limited	Singapore
Info-Drive Software Limited	Canada
Precision Techserve Private Limited	India
Precision Galaxy Private Limited	India
Precision Techconet Private Limited	India
Legend Systems Private Limited	India
Technoprism Inc	United States of America
Technoprism LLC	United States of America

Info-Drive Software Inc (USA)

In August 2008, Info-Drive Software Inc acquired 51 percent of the equity shares of Technoprism LLC for a purchase consideration of USD 5.1 million.

Technoprism LLC is an IT services firm providing product design, development & customization solutions to large technology companies. The solutions include web portals, customer relationship management applications, online transaction processing systems, content management platforms, and customer self-service solutions for various functions in an enterprise such as human resource, sales, marketing, finance, accounting, business strategy, supply chain, logistics and procurement.

Info-Drive Systems Sdn Bhd (Malaysia)

Info-Drive Systems Sdn Bhd (InfoDrive Malaysia) provides a complete range of business consulting and Information technology services for clients in industries includes Conventional & Islamic banking, financial services, telecom and Healthcare. InfoDrive Malaysia has executed one of the largest implementation projects in the Islamic Banking segment to consult, implement and maintain Islamic Banking Software Solution on an enterprise scale to a leading bank in Malaysia named RHB Islamic Bank. The centre provides key offerings in IT consulting, Infrastructure management and packaged solutions implementation.

During the year, InfoDrive Malaysia entered a strategic business agreement with PCCM Flow Technologies Sdn Bhd and ARA Technology Services Sdn Bhd in the space of IT consulting for providing Community living solutions, Telecommunications, Datacenter management and Infrastructure Management services.

Info-Drive Software LLC (UAE)

Info-Drive Software LLC (InfoDrive Dubai) offers full range of networking technologies covering communications & networking infrastructure and systems integration projects to cater to the requirements of market segments such as hospitality, real estate, telecom and utilities.

During the year under review, InfoDrive Dubai has made good progress on its strategy to target multi-year deals with end to end ownership of customer systems and processes. This initiative has helped the Company further its objective of long term partnership with the customers. Your Company seeks to become an integral part of the customer's transformation journey by offering superior value propositions.

Within few months of launch of Digi-life practice, InfoDrive Dubai secured its first multiyear million dollar order in ICT space for InfoDrive, India. 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. The phase one of the project which includes e-Living thrill ideation, e-Living commerce blueprints,

infotainment solution architecture has been successfully delivered.

Precision Infomatic (Madras) Pvt Ltd (India)

Precision Infomatic (Madras) Pvt Ltd has an impressive array of IT products, solutions and services. It provides one-stop solution to their customers offering end to end IT Consulting and Infrastructure Solutions. The company has strategic business association with global IT companies who provide Computer Products, Operating systems, Storage, Network infrastructure, and security technologies. Some of the key partners include Hewlett-Packard, IBM, Cisco, Nortel and Microsoft.

Precision Infomatic (Madras) Pvt Ltd has four operating subsidiaries namely Precision Techserve Private Limited, Precision Galaxy Private Limited, Legend Systems Private Limited and Precision Techconet Private Limited.

During the year, Precision Infomatic (Madras) Pvt Ltd along with its subsidiaries has added over 100 new clients with a substantial number belonging to SME (small & medium business Enterprises) segment. The total client base at the end of the year stood over 500. Recently, Precision Infomatic (Madras) Pvt Ltd received the Silver award from Hewlett Packard, India, for the Best Multi Location Business Partner for services sales in the country.

Info-Drive Software Ltd (Canada) and Info-Drive Software Pte Ltd (Singapore)

The Company incorporated wholly-owned subsidiary in Singapore and Canada in 2007 and 2008 respectively. The subsidiaries are yet to commence operations.

Particulars required as per Section 212 of the Companies Act, 1956

Your Company has applied for an exemption under Section 212 of the Companies Act, 1956 to the Central Government, Ministry of Company Affairs (MCA) from attaching the Balance Sheet, Profit & Loss Account, Directors' Report and the Auditor's Report of its subsidiaries to the Annual Report. This Annual Report does not contain the financial statements of the subsidiaries, instead contains the Consolidated Audited Financials of your Company and its subsidiaries, based on the expected approval from MCA.

Further, information relating to each subsidiary has been disclosed in an abstract format, which is forming part of the consolidated Balance Sheet. The detailed financial statements and audit reports of each of the subsidiaries are available for inspection during business hours at the registered office of the Company.

As per Clause 49 of the Listing Agreement, your Company has a material non-listed subsidiary company, whose

turnover or networth exceeds 20% of the consolidated turnover or networth respectively of your Company and its subsidiaries in the immediately preceding accounting year. In compliance with Clause 49 of the Listing Agreement, one of our Independent Directors is inducted as a Director in the Board of Precision Infomatic (Madras) Pvt Ltd which is a material non - listed subsidiary company.

As informed earlier your Company is in the final stages of entering into an agreement with M/s. Kashi Infotech Pvt Ltd for acquisition of specific lines of business.

Identity Management - Biometrics Product & Solutions

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 to come up with 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

Legend Systems Pvt Ltd provides 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 its 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.

During the year, Legend Systems Pvt Ltd 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.



InsTIL™

InsTIL™ 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, Change management and Service level management. InsTIL™ also enables proactive monitoring of critical IT assets 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.

Quality

The process improvement initiatives planned and executed have shown positive results under various process categories. Your Company continues to ensure certification against International Standards like ISO 9001:2000 and ISO 21000 & ISO 27001 standards.

Quality certifications do help to attract clients to a good extent. Certifications are first level entry points to many customer engagements. In line with our focus on customers' satisfaction, surveys have been conducted for our BPO services with a higher rigor. Your Company will continue its journey to focus on continual process improvement and synchronise it with business goals.

Global Competency Centre

The Company's Global Competency Center (GCC) in Chennai, India allows it to address the growing demand for the cost-effective management of technology infrastructure across geographically dispersed locations.

Highlights of our GCC are:

- A 14000 sq. ft. world class facility to provide 24*7 of Remote Infrastructure Support.
- A 100 seat facility equipped to provide Voice, E-Mail, Portal and Chat Support.
- Encompasses a Network Monitoring Theater, Remote Support Center and a Datacenter built as per Tier 3 Data Center Standard.
- Provides N+1 Redundancy for UPS, multiple ISP links, and fault tolerant network design.

Remote Infrastructure Management (RIM) services include Desktop Management, Datacenter Support, Managed Information Security Support, Enterprise Network Support, End-user Support and emerging areas like IT Service Management. For the past six years, these services are delivered through ITIL framework and best practices ISO 9001, ISO 21000 and ISO 27000 Operations Management centre to over 200 companies from various industries such as retail, banking, hospitals, construction, finance and IT companies.

Awards / Recognition of InfoDrive as a Group

Some of the Awards that we received during the current year:

- Precision Infomatic (Madras) Private Ltd received the Silver award from Hewlett-Packard, India for the Best Business partner in services sales in multi location category in the country.
- Precision Techserve Private Ltd 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).*

Fixed Deposit

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

Directors

- (i) Mr. V. N. Seshagiri Rao has been reappointed as Director at the Annual General Meeting held on September 23, 2008. Mr. V. N. Seshagiri Rao has an experience of over 34 years in the field of Management. A qualified Chartered Accountant by profession, he worked at the Senior Management level throughout his career. He has been in the Board of several prominent Industrial Houses. His knowledge and guidance will be an asset to the Company in its growth and expansion plans. He is holding 24,876 shares in the Company.
- (ii) Mr. A. T. Krishnakumar has been reappointed as Director at the Annual General Meeting held on September 23, 2007. He is an MBA Professional, highly experienced in the field of Consultancy, Corporate Finance and Planning. He is not holding any shares in the Company.
- (iii) Mr. Singanallur Narayanan retires at this ensuing Annual General Meeting and being eligible offers himself for reappointment. Mr. Narayanan has a MBA from Columbia University School of Business, M.S. in Computer Science from University of Texas and Bachelor of Technology from IIT, Chennai, India. He is the partner of M/s. Kuberon Capital LLC New York, a hedge fund with macro long / short equity strategy. He has around 16 years of experience in Equity Research and Derivative Strategies. He is not holding any shares in the Company.
- (iv) Mr. K. Chandrasekaran was appointed as the Managing Director & Chief Executive Officer at the Board Meeting held on September 28, 2007. At the ensuing Annual General Meeting a resolution is being proposed for ratifying the appointment and the remuneration payable to him. Mr. K. Chandrasekaran is a qualified Chartered and Cost Accountant and has over two decades of experience in the Corporate Sector both India and abroad. He has handled large Merger and Acquisition deals of IT Companies and also companies in other areas. He has been instrumental in launching a BPO venture in the Middle East as a Joint Venture between a large conglomerate in the Middle East and the reputed Indian Corporate Group. He is spear-heading the Corporate think tank, governance, vision and business strategy. He is holding 14,62,606 shares in the Company.
- (v) Mr. N. T. Shivkumar was appointed as the Whole Time Director & Chief Operating Officer at the Board Meeting held on September 28, 2007. He is an alumnus of BITS Pilani (India) and has over two decades of experience in the Offshore IT Outsourcing & BPO Services sector. As the Chief Operating Officer 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 joining InfoDrive board, Mr. N. T. Shivkumar had an outstanding tenure as the head of global sales & marketing at Oakhill Capital's portfolio firm EXL Service after his 16 year association with HCL group where he had the distinction of successfully leading several pioneering initiatives to fuel the organic and inorganic growth of HCL America. He is holding 3,50,000 shares in the Company.
- (vi) Mr. K. Shivakumar, who has been the Founder Promoter of the Company, was Managing Director of the Company since inception. Mr. K. Shivakumar retires at this ensuing Annual General Meeting and being eligible offers himself for reappointment. He is an MBA (U.S.A. specialization in Information Systems). He has over 22 years of working experience. He was

re-designated as Joint Managing Director with effect from September 28, 2007 for a period of two years ending on September 27, 2009 under Section 269 read with Schedule XIII of the Companies Act, 1956 on a cost to company basis. He is holding 6,09,090 shares in the Company.

(vii) Mr. S. Sriraman was appointed as a Director at the Annual General Meeting held on September 23, 2008. Earlier he was an additional Director of the Company. He is a qualified Banker with CAIIB from Indian Institute of Bankers. He is 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 Doctorate 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. He has an impressive track record of mentoring start ups as part of venture capital initiatives till they are listed. At present he is involved in the operations of a fund management company in Chennai, with focus on venture capital, private equity, mergers and acquisitions. He is not holding any shares in the Company.

(viii) The Board has appointed Mr. Mohan Ranganathan as an alternate to Mr. Singanallur Narayanan with effect from February 13, 2007 and he is reappointed from time to time as required under section 313 of the Companies Act 1956. He is a Chartered Accountant by profession. He is not holding any shares in the Company.

Retirement and Reappointment of Directors

Mr. Singanallur Narayanan, who would be retiring at the ensuing Annual General Meeting, seeks re-election. Mr. Singanallur Narayanan has got vast experience on Equity Research and Derivative Strategies and has been associated with the Company since takeover by the new Management. The profile of Mr. Singanallur Narayanan has been given in the particulars of the Directors.

Mr. K. Shivakumar, who would be retiring at the ensuing Annual General Meeting, seeks re-election. Mr. K. Shivakumar has got vast experience on Business Management and has been associated with the Company since its inception. The profile of Mr. K. Shivakumar has been given in the particulars of the Directors.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 ("Act") and based on the representations received from the operating management, the Directors hereby confirm that:

- in the preparation of annual accounts for the year 2008-09, the applicable Accounting Standards have been followed and there are no material departures;
- they have selected such accounting policies in consultation with statutory authorities and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the Annual Accounts on a going concern basis.

Auditor's

M/s. K. S. Reddy Associates, Chartered Accountants, Chennai, India who are the Auditors of the Company, hold Office till the conclusion of the ensuing Annual General Meeting. They are eligible for reappointment and they have expressed their willingness to be appointed as Statutory Auditors of the Company, at the said Annual General Meeting. They are qualified to be appointed under Section 224 of the Companies Act, 1956.

Audit Committee

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

Members of Audit Committee:

Name	Category
Mr. K. Chandrasekaran	Executive Director
Mr. V. N. Seshagiri Rao	Non-Executive Promoter Director
Mr. A. T. Krishnakumar	Non-Executive Independent Director
Mr. Singanallur Narayanan	Non-Executive Independent Director
Mr. Mohan Ranganathan (Alternate Director to Mr. Singanallur Narayanan)	Non-Executive Independent Director
Mr. S. Sriraman	Non-Executive Independent Director

Corporate Governance Report and Management Discussion and Analysis Statement

A report on Corporate Governance, Management Discussion and Analysis Statement is attached to this Report.

Conservation of Energy or Technology Absorption

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

Significant Material Development in Human Resource Management

Your Company believes that "Human Capital" is its asset. The human resource department and the various business and operational units work closely to ensure effective and timely recruitment to support growing business of the Company.

- Your Company's headcount was 1556 as on March 31, 2009
- Your Company encourages functional and geographical movements to promote employee development and growth thereby helping the Company in its pursuit of employee recognition and retention.

The Company operates in a sector where attrition rates are high. It therefore may face the challenge of attracting and retaining professional and skilled talent to be able to continuously deliver a superior quality of service. Your Company endeavors to attract and retain the best professional talent by creating a professional work culture.

Particulars of Employees

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out below. The Department of Company Affairs has amended the Companies (Particulars of Employees) Rules, 1975 to the effect that particulars of employees of companies engaged in Information Technology sector posted and working outside India, not being directors or their relatives, drawing more than Rs. 24 lakh per financial year or Rs. 2 lakh per month, as the case may be, need not be included in the statement. Accordingly, the statement included in this report does not contain the particulars of employees who are posted and working outside India.

Acknowledgement

Your Directors place on record their sincere thanks to its customers, vendors, bankers, financial institutions, registrar & share transfer agents, technology partners, business associates, advisors, regulatory and government authorities for the continued support. We also place on record our deep appreciation of the dedication and hardwork of the employees, which helped us succeed during a tough and turbulent year.

Your Directors also take this opportunity to extend a special thanks to each and every shareholder of InfoDrive, whose trust, confidence and support has been the motivating force in all our endeavors.

For and on behalf of the Board

Chennai
07.08.09

Sd/-
K. Chandrasekaran
Managing Director &
Chief Executive Officer

Sd/-
V. N. Seshagiri Rao
Director

Employee Name	Designation	Qualification	Age (Yrs)	Experience (Yrs)	Date of Joining	Gross Remuneration (Rs.)	Previous Employment & Designation
ANL Madhavann **	Chief Financial Officer	B.Sc., FCA, FCS., PGDBA, BGL	49	26 yrs	19.05.2008	15,15,487*	Mrs Bector's Food Specialities Ltd - Director & CFO
S. Ramachandran **	Executive Vice President, Group HR	B.Sc., PGDPM & IR	45	23 yrs	07.08.2008	11,25,615*	Airtel - CHRO

Note : None of the above employees is related to any of the Director of the Company.

* The Gross remuneration shown above is subject to tax and comprises of salary, allowances, medical benefits, etc. as per Income Tax Rules.

** For part of the year.

Corporate Governance

The detailed report on Corporate Governance, for the year under review as per the format prescribed by Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement is set out in the following pages.

Corporate Governance

Company's Philosophy

The Company's philosophy on corporate governance envisages adherence to the highest levels of transparency, accountability and equity, in all areas of its operations and in all interactions with its stakeholders. Your Company is committed to achieving the highest standards of corporate governance in its pursuit of excellence, growth and value creation. It believes that all operations must be spearheaded by integrity, transparency and accountability for meeting its obligations towards enhancing shareholder value continuously.

At the core of its corporate governance practice is the Board, along with its committees which oversees how the

management serves, protects and creates short term and long-term interests of shareholders and other stakeholders. The Company's corporate governance practices comply with the corporate governance requirements as per the Listing Agreement with Stock Exchange.

At InfoDrive, we strive towards excellence through adoption of best governance and disclosure practices.

Board of Directors

Composition, Attendance at the Board Meetings and last Annual General Meeting, outside Directorships and other Board Committees as on March 31, 2009 or for the year 2009, as applicable is tabulated hereunder:

Director	No. of Board Meetings Attended	Attendance at previous AGM held on September 23, 2008	No. of Outside Directorship held (excluding Alternate Directorships and Directorships in Pvt Companies)	No. of Membership / Chairmanship in other Board Committees	Executive / Non-Executive Independent
Mr. V. N. Seshagiri Rao	7	Present	Nil	Nil	Non-Executive
Mr. K. Chandrasekaran	3	Present	1	Nil	Executive
Mr. K. Shivakumar	6	Present	Nil	Nil	Executive
Mr. N. T. Shivkumar	4	Present	Nil	Nil	Executive
Mr. A. T. Krishnakumar	6	Present	1	Nil	Non-Executive Independent
Mr. Singanallur Narayanan	1	Present	Nil	Nil	Non-Executive Independent
Mr. S. Sriraman	4	Present	Nil	Nil	Non-Executive Independent
Mr. Mohan Ranganathan (Alternate Director to Mr. Singanallur Narayanan)	5	-	Nil	Nil	Non-Executive Independent

Board Meetings held during the year 2008-09

1. April 28, 2008	5. September 23, 2008
2. July 11, 2008	6. October 30, 2008
3. July 24, 2008	7. January 30, 2009
4. August 8, 2008	

General Meetings of the Company

Meeting Date	18th AGM 30.09.2006 11.00 A.M.	19th AGM 19.09.2007 10.30 A.M.	20th AGM 23.09.2008 10.30 A.M.	EGM 19.09.2007 11.00 A.M.	EGM 06.03.2008 11.00 A.M.	EGM 14.08.2008 10.30 A.M.	POSTAL BALLOT 2008-09
Venue	Mylapore Club, Chennai, India	Narada Gana Sabha, Chennai, India	The Music Academy "Kasthuri Srinivasan Mini Hall"	Narada Gana Sabha, Chennai, India	Narada Gana Sabha, Chennai, India	Narada Gana Sabha, Chennai, India	
Sl.No.	Type	Resolutions Passed	Type	Resolutions Passed	Type	Resolutions Passed	Type
1.	○	Adoption of Annual Accounts (31/03/2006)	○	Adoption of Annual Accounts (31/03/2008)	○	To Amend the Authorised Share Capital Clause in the Memorandum of Association of the Company	○
		Re-Appt. of Mr. G. Vasu as Director		Re-Appt. of Mr. V. N. Seshagiri Rao as Director		Alteration of the Article 3 in the Articles of Association of the Company	
2.	○		○		○	Approval under Sec. 81, 81(1A) for issuing several classes of instruments to raise additional capital upto US\$ 100 Million	○
3.	○	Re-Appt. of M/s. K. S. Reddy Associates as Auditors	○	Re-Appt. of M/s. K. S. Reddy Associates as Auditors	○	Approval under Sec. 81, 81(1A) for issuing several classes of instruments to raise upto US\$ 100 Million	○
4.	○	Appt. of Mr. A. T. Krishnakumar as Director	○	Appt. of Mr. S. Sriraman as Director	○	Ratification of re-designation of Mr. K. Shivakumar as Joint Managing Director on a cost to company basis under Sec. 269 read with Schedule XIII of CA	○
5.	○	Appt. of Mr. V. N. Seshagiri Rao as Director	○	Appt. of Mr. Singanallur Narayanan as Director	○	Amendment of Article 21(g) for increasing Sitting Fees from Rs. 250/- to Rs. 10,000/-	○
6.	○	Appt. of Mr. R. Sankarakrishnan as Director	○	Appt. of Mr. K. Chandrasekaran as Director	○	Deletion of Article 21(i)	○
7.	○	Appt. of Mr. S. Sreelakshme as Director	○	Appt. of Mr. N. T. Shivkumar as Director	○		○
8.	○		○		○	To fix limits for borrowing in excess of the paid up capital and free reserves upto a limit of Rs. 500 Crores under Sec. 293(1)(d) of the CA	○
9.	○		○		○	To make investments in excess of 60% of the paid up capital and free reserves of the company or 100% of the free reserves whichever is higher under Sec. 372A of the CA	○

Type : ○ Ordinary Resolutions | ○ Special Resolutions | CA means the Companies Act 1956

Board and its Committees

The Board has set up the following committees as per the Code of Conduct for Corporate Governance.

Audit Committee

The Audit Committee was reconstituted during the year by the addition of Mr. S. Sriraman, Independent Director and Mr. V. N. Seshagiri Rao, Non-Executive Director.

Mr. A. T. Krishnakumar 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 292 A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. The Statutory Auditor attended all the Audit Committee Meetings.

Audit Sub Committee Meetings held during the year 2008-09

1.	April 28, 2008	4.	October 30, 2008
2.	July 24, 2008	5.	January 30, 2009
3.	August 08, 2008		

Shareholders' Grievance Committee

The Shareholders' grievance committee comprising Mr. V. N. Seshagiri Rao, Mr. K. Shivakumar, Mr. Mohan Ranganathan and Mr. V. Gopal Rao, who is the Compliance Officer of the Company meets every month.

During the year 2008-09 all the complaints received from the Shareholders have generally been solved to the satisfaction of the Complainants. Two Shareholders who were not allotted shares in the Rights Issue of the Company in June - July 2007, have filed an appeal in the Consumer Forum. Your Company has initiated steps and successfully obtained Anti-Suit Injunctions against these two Shareholders.

Investment Committee

As required under Section 292 of the Companies Act 1956, the Investment Committee has been constituted by the Board to consider investment in Subsidiaries and other Companies within the limits prescribed under Section 372 (A) of the Companies Act 1956.

The Members of the Investment Committee are:

Name	Category
Mr. V. N. Seshagiri Rao	Non-Executive
Mr. K. Chandrasekaran	Executive
Mr. K. Shivakumar	Executive
Mr. A. T. Krishnakumar	Non-Executive Independent

Remuneration Committee

The Members of the Remuneration Committee are:

Name	Category
Mr. K. Chandrasekaran	Executive
Mr. A. T. Krishnakumar	Non-Executive Independent
Mr. Singanallur Narayanan	Non-Executive Independent

During the year there were no Meetings of the Remuneration Committee as there were no appointments requiring recommendation by the Remuneration Committee.

Directors' Remuneration

The Company has not paid any Sitting Fees during the year 2008-09.

Mr. K. Shivakumar has been paid a remuneration of Rs. 3,50,000/- for the year under review.

Name	Category	Number of Committee Meetings	
		Held	Attended
Mr. K. Chandrasekaran	Executive	5	2
Mr. V. N. Seshagiri Rao	Non-Executive	5	2
Mr. A. T. Krishnakumar	Non-Executive Independent	5	4
Mr. Singanallur Narayanan	Non-Executive Independent	5	-
Mr. Mohan Ranganathan (Alternate Director to Mr. Singanallur Narayanan)	Non-Executive Independent	5	4
Mr. S. Sriraman	Non-Executive Independent	5	2

Mr. K. Chandrasekaran and Mr. N. T. Shivkumar who were appointed as Managing Director & Chief Executive Officer and Whole Time Director & Chief Operating Officer respectively on September 28, 2007 have not been paid any remuneration.

Postal Ballot

No Postal Ballot was conducted by the Company during the year 2008-09.

Special Resolution

A Special Resolution was passed at the Extra-Ordinary General Meeting held on August 14, 2008 to obtain the Members' approval for raising additional capital in one or more tranches for an amount not exceeding USD 100 Million or its Rupee equivalent by issuing several class of debt instruments, Shares, by Private Placement or otherwise.

A Special Resolution was passed at the 20th Annual General Meeting held on September 23, 2008 for amending Article 21(g) of the Articles of Association of the Company, for the purpose of increasing Director's sitting fees from Rs. 250/- to Rs. 10,000/- (Exclusive of travel and out of pocket expenses) per Director, per meeting of the Board or the committee.

A Special Resolution was also passed at the aforesaid Annual General Meeting for the deletion of Article 21(i) of the Articles of Association of the Company which is not in consonance with the provisions of the Companies Act 1956.

Disclosures

a. Instances of Non-Compliance

There were no instances of 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.

b. Materially significant related party transactions

Related Party Transactions are defined as transactions of the Company of material nature, with Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large. Details on materially significant related party transactions are shown in the Schedule No. U (k) under Significant Policies and Notes to accounts to the Balance Sheet and Profit & Loss Account.

c. Whistle Blower Policy

The Company has evolved a Whistle Blower Policy to provide appropriate avenues to the Employees to

bring to the attention of the Management any issue which is perceived to be in violation or in conflict with the fundamental business principles of the Company. No employee has been denied access to the Audit Committee.

Non-Mandatory Requirements

The Company is complying with all the mandatory requirements of Clause 49 of the Listing Agreement and with regard to the non-mandatory requirements, the Company has constituted a Remuneration Committee and also adopted the Whistle Blower Mechanism as referred in Clause 49 of the Listing Agreement. The Company also follows the guidelines laid down in the "Secretarial Standards", issued by the Institute of Company Secretaries of India.

Means of Communication

The annual and quarterly results are posted in the website of the Company and also published in News Today and Malai Sudar. The same is also intimated to SEBI, BSE and MSE.

General Shareholder Information

Annual General Meeting

Date	:	Wednesday, September 23, 2009
Time	:	10.30 am
Venue	:	Kasthuri Srinivasan Hall (Mini Hall), The Music Academy, T.T.K. Road, Chennai - 600 014, India.

Financial Calendar of the Company

The financial year covers the period from April 1, 2008 to March 31, 2009.

Financial Reporting for 2009-10 (tentative)

Results for 30/06/2009	End July 2009
Results for 30/09/2009	End October 2009
Results for 31/12/2009	End January 2010
Results for 31/03/2010	End April 2010

Date of Book Closure

The period of book closure is fixed from September 16, 2009 to September 23, 2009 (both days inclusive).

Outstanding ADRs / GDRs / Warrants

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

Listing on Stock Exchanges and Stock Code

The shares of the Company are listed at the Madras Stock Exchange and Bombay Stock Exchange (Scrip No.530703)

Bombay Stock Exchange

Month	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009
High	72.30	76.40	74.30	54.90	57.90	56.00	34.80	31.20	31.90	28.65	24.00	28.00
Low	52.00	55.50	49.80	44.00	46.15	26.50	16.70	20.50	25.35	19.20	18.50	18.00

Distribution of Shareholding

Distribution Schedule as on March 31, 2009 and June 30, 2009

No. of Equity Shares Held	March 31, 2009			June 30, 2009		
	No. of Shareholders	No. of Shares	% of Shareholding	No. of Shareholders	No. of Shares	% of Shareholding
1 – 500	5034	951269	3.25	5001	943364	3.23
501 – 1000	494	425497	1.46	495	428340	1.47
1001 – 2000	215	332140	1.14	207	318480	1.09
2001 – 3000	77	203114	0.69	86	229106	0.78
3001 – 4000	37	134130	0.46	29	104834	0.36
4001 – 5000	41	194929	0.67	44	208385	0.71
5001 – 10000	58	419688	1.44	60	435813	1.49
10001 and above	158	26578123	90.89	160	26570568	90.87
Total	6114	29238890	100.00	6082	29238890	100.00

Shareholding Pattern

As on March 31, 2009

Sl.No.	Category	No. of Holders	No. of Shares	% of Shares
1.	Resident Indian	5866	15286262	52.28
2.	Corporate Body	135	8125961	27.80
3.	NRI's	97	1684323	5.76
4.	FII's	1	91689	0.31
5.	Promoters	7	4020308	13.75
6.	Mutual Funds	1	800	0.00
7.	Bank	1	8000	0.03
8.	Clearing Member	6	21547	0.07
Total		6114	29238890	100.00

Shareholding Pattern

As on June 30, 2009

Sl.No.	Category	No. of Holders	No. of Shares	% of Shares
1.	Resident Indian	5818	14966363	51.18
2.	Corporate Body	140	8443086	28.88
3.	NRI's	96	1680018	5.75
4.	FII's	1	91689	0.31
5.	Promoters	7	4020308	13.75
6.	Mutual Funds	1	800	0.00
7.	Bank	1	8000	0.03
8.	Clearing Member	18	28626	0.10
TOTAL		6082	29238890	100.00

Dematerialization of Shares and Liquidity

Demat ISIN No. INE 804D01011

As on March 31, 2009 2,72,99,030 Shares, that is, 93.37% were held in dematerialized form and the balance of 6.63% of shares, that is, 19,39,860 shares were held in Physical form.

As on June 30, 2009 2,73,08,130 Shares, that is, 93.40% were held in dematerialized form and the balance of 6.60% of shares, that is, 19,30,760 shares were held in Physical form.

Promoters and Promoters Group

Given below are the Shareholdings of "Promoters and Promoters Group" as on June 30, 2009.

Sl.No.	Name of the Shareholder	No. of Shares	% of Shares
1.	Mr. Arif Buhary Rahman	1573736	5.38
2.	M/s. Bhari Information Technology Systems Pvt Ltd	916700	3.14
3.	M/s. EH Building Consultancy Pvt Ltd	450200	1.54
4.	Mr. V. N. Seshagiri Rao	24876	0.09
5.	Mr. K. Shivakumar	609090	2.08
6.	Mr. K. Chandrasekaran	1462606	5.00
7.	Mr. N. T. Shivkumar	350000	1.20
Total		5387208	18.43

Capital Structure

Given below are the details of the periodic increase in the Issued and Paid-Up Capital of the Company since Inception.

Sl.No.	Date	No. of Equity Shares	Value (in Rs.)	Cumulative increase in Share Capital (In Rs.)
1.	16.03.1988	200	2,000	2,000
2.	01.12.1989	7,500	75,000	77,000
3.	26.04.1991	2,300	23,000	1,00,000
4.	29.07.1991	20,000	2,00,000	3,00,000
5.	27.03.1992	50,000	5,00,000	8,00,000

Capital Structure

Given below are the details of the periodic increase in the Issued and Paid-Up Capital of the Company since Inception.

Sl.No.	Date	No. of Equity Shares	Value (in Rs.)	Cumulative increase in Share Capital (In Rs.)
6.	29.05.1992	3,20,000	32,00,000	40,00,000
7.	04.06.1993	6,00,000	60,00,000	1,00,00,000
8.	04.11.1994	500	5,000	1,00,05,000
9.	31.01.1995	3,50,000	35,00,000	1,35,05,000
10.	03.06.1995	26,49,500	2,64,95,000	4,00,00,000
11.	14.02.2000	10,00,000	1,00,00,000	5,00,00,000
12.	18.07.2007	2,00,00,000	20,00,00,000	25,00,00,000
13.	10.12.2007	42,38,890	4,23,88,900	29,23,88,900

Registered Office

M/s. Info-Drive Software Limited

'Buhari Buildings' Second Floor
No. 3, Moores Road
Chennai - 600 006, India

Tel.: +91 - 44 - 28212368

Fax: +91 - 44 - 28212609

Website : www.infodriveservices.com

E-mail : info@infodriveservices.com

Company's Registrar

M/s. Cameo Corporate Services Limited

'Subramanian Building'
No. 1, Club House Road
Chennai - 600 002, India

Tel.: +91 - 44 - 28460390

Fax: +91 - 44 - 28460129

E-mail : cameo@cameoindia.com

Corporate Communications

Ms. Smitha Iyer

Senior Manager - Corporate Affairs
M/s. Info-Drive Software Limited
'Buhari Buildings' Second Floor
No. 3, Moores Road
Chennai - 600 006, India

Tel.: +91 - 44 - 28212368

Fax: +91 - 44 - 28212609

E-mail : smitha@infodriveservices.com

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
INFO-DRIVE SOFTWARE LIMITED

I have examined the compliance of conditions of Corporate Governance by M/s. Info-Drive Software Limited for the year ended March 31, 2009 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. My 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 my opinion and to the best of our information and explanations given to me and the representations made by the directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I 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

Chennai
07.08.09

Sd/-
K. Subba Reddy (Proprietor)
Membership no. 208754

CEO & CFO CERTIFICATION UNDER CLAUSE 49 (V) OF THE LISTING AGREEMENT

**To the Board of Directors of
INFO-DRIVE SOFTWARE LIMITED**

We, K. Chandrasekaran, Managing Director & Chief Executive Officer and ANL Madhavann, Chief Financial Officer of Info-Drive Software Ltd, ("Company") hereby certify that:-

- a) We have reviewed financial statements and the cash flow statement of the Company for the financial year ended March 31, 2009 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee.
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Chennai
07.08.09

Sd/-
K. Chandrasekaran
Managing Director & Chief Executive Officer

Sd/-
ANL Madhavann
Chief Financial Officer

Management Discussion and Analysis



INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

Global Scenario - Overview

The year 2008 would be remembered as a watershed for the Global Financial markets. After years of strong growth, the world economy started decelerating quickly during the year. Global activity was being buffeted by an extraordinary financial shock.

The global financial crisis, brewing for a while, really started to show its effects in the middle of 2007 and into 2008. Around the world stock markets crashed, large financial institutions collapsed or were bought out, and governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems.

The downturn after four years of relatively fast growth is due to a number of factors: The global fallout from the financial crisis in the United States, the bursting of the housing bubbles, soaring commodity prices, increasingly restrictive monetary policies in a number of countries, and stock market volatility.

This financial crisis of 2007-09 has been called the most serious financial crisis since the Great Depression by leading economists with its global effects characterized by the failure of key businesses, declines in consumer wealth estimated in trillions of U.S. dollars, substantial financial commitments incurred by governments, and a significant decline in economic activity.

In the most severe recession since World War II, the global economy is projected to shrink by 1.3 percent in

2009, with a slow recovery expected to take hold next year, according to the Internal Monetary Fund (IMF) Survey Magazine: IMF Research published in April World Economic Outlook (WEO).

The pickup is likely to be unusually gradual, held back by the continuing financial market deleveraging with emerging economies like China and India expected to fare better.

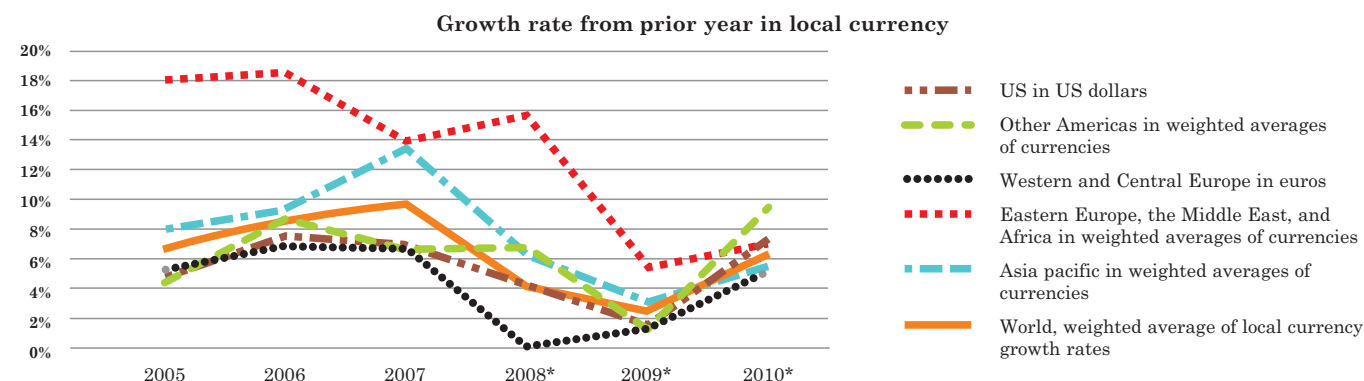
Global IT Market Outlook

Since October 2008, recession in the US and the global meltdown not only has an impact on the demand environment in the IT & ITeS industry but also had a huge impact on economic metrics like foreign exchange fluctuations, stock market valuations, growth expectations etc. as it is one of the greatest financial crisis of our globalized times. The resultant recession has been felt across the geographies and industries.

According to Forrester, Global IT Market Outlook: 2009 by Andrew H Bartels published in January 2009 - Global purchases of IT goods and services will decline by 3% after an 8% rise in 2008 and will recover in 2010, growing by 9%. Western and Central Europe and Canada and Latin America will have the weakest growth, at 1.3% and 1.2%, respectively, in local currencies. The US tech market will do a bit better, with 1.6% growth. Asia Pacific and the oil exporting area of Eastern Europe, the Middle East, and Africa will do the best, but growth there will still be weak, at 3.1% and 5.4%, respectively. Software purchases will do a bit better than other categories, but all vendors will face a tough time until late 2009 or early 2010.

Table 1: Global IT Purchases Growth Trends, 2005 To 2010

1.1: All global markets will see a slowdown in growth in 2009

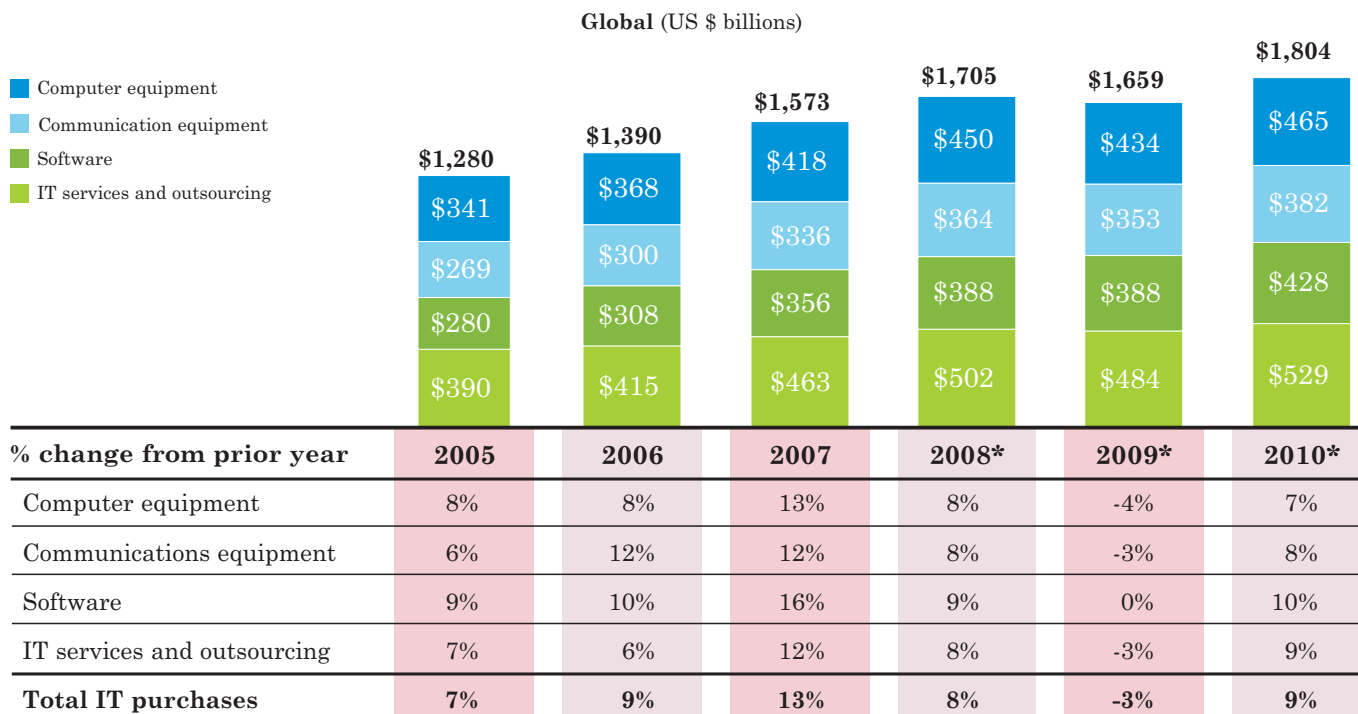


*Forrester forecast

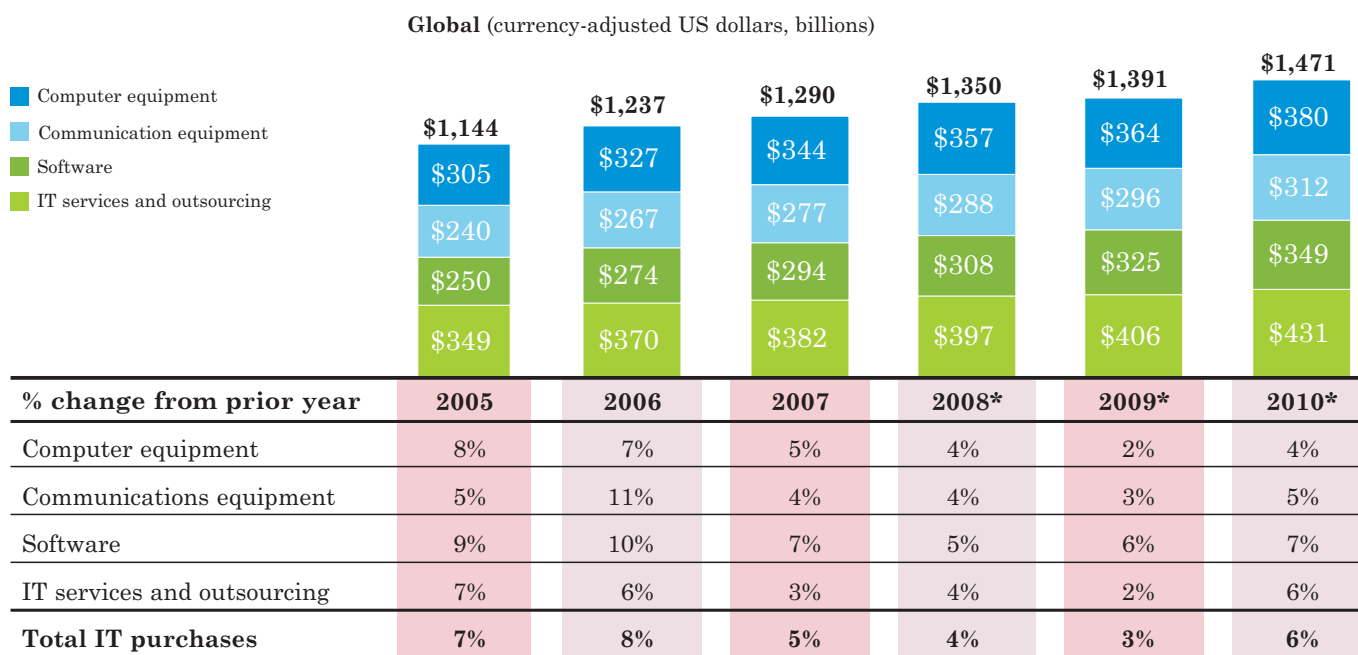
Source : Forrester Research, Inc.

Table 2: Global IT Purchases By Category, 2005 To 2010

2.1: Measured in dollars, all categories of global IT purchases except software will decline in 2009



2.2 Adjusted for changes in currency, global IT purchases will grow by 3% in 2009



(numbers have been rounded)

INDIAN IT - BPO STRUCTURE AND OUTLOOK

Current Industry Structure

The Industry is dominated by large integrated players consisting of both Indian and international service providers. During the year, the share of Indian providers went up to 65-70 percent due to the emerging trend of monetisation of captives. MNCs however, continued to make deeper inroads into the industry and strengthened their Indian delivery centers during 2008.

Domestic market

- The domestic market presents a significant opportunity as IT spending in India is growing at a pace faster than any other country in the Asia Pacific region.
- The demand for offshoring is driven by specialised skill sets and not just labor arbitrage.

Indian IT - BPO Sector

The economic downturn contributed to reductions in spending in the last quarter of 2008 and the first quarter of 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 is looking up to the new government for extension of fiscal benefits and relief from multiplicity and inequity of taxes 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.

Though the financial sector has started showing some signs of recovery from the global meltdown, the IT industry in the country will take some more time to regain the growth momentum. It is expected that IT growth will be flat in the near future and is expected to pick up early next year.

India's edge in the offshoring 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 2009 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.

According to a recently published report by IDC India, the:

- Indian IT/ITeS industry is estimated to grow at a CAGR of 13.9 percent from 2008 to 2013 to reach about USD 110 billion.
- Indian IT/ITeS industry is estimated to grow at 10.8 percent in 2009 to USD 64 billion. The domestic market is expected to witness a growth of 10.2 percent to USD 22 billion in 2009, as compared with exports, which are poised to grow at 11.2 percent to cross USD 41 billion in 2009.

Performance of IT - BPO Industry

USD (BILLION)	FY 2006	FY 2007	FY 2008	FY 2009 E	Growth % (09/08)
IT Services	17.8	23.3	31.0	35.2	14
BPO	7.2	9.5	12.5	14.8	19
Engineering Services and Software Product	5.3	6.5	8.6	9.5	12
Total Software and Services	30.3	39.3	52.0	59.6	15
Hardware	7.1	8.5	12.0	12.1	1
Total IT Industry (including hardware)	37.4	47.8	64.0	71.7	12

Source : Nasscom

- IT spending pattern in 2009 is expected to be conservative and software and IT services market is estimated to be less affected than the hardware market.
- The share of IT/IT-enabled Services (ITeS) in the Indian market is expected to increase from 31.7 percent in 2008 to 41.9 percent in 2013, indicating companies' growing focus to leverage the capacity built-up.
- The average annual growth rate for the domestic IT/ITeS market is expected to come down from 25 percent during 2003-08 to 15.8 percent during 2008-13, signaling the beginning of a new phase of growth.

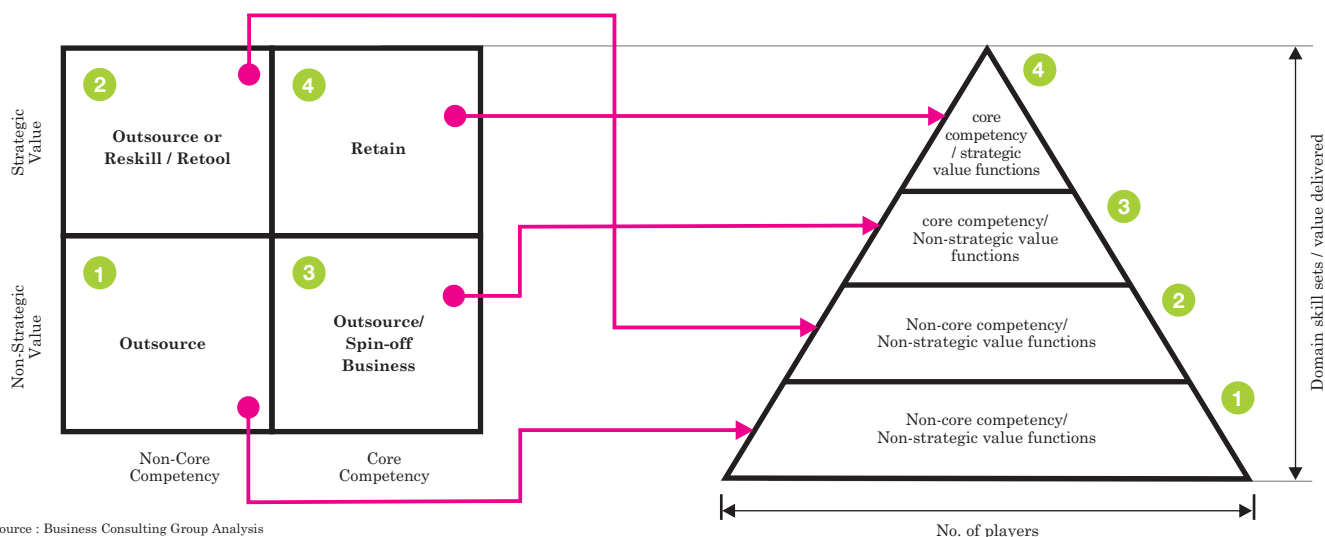
An economic downturn is like a mild ice age, with the survival of the fittest. It will mean belt tightening and more focus on efficiency. In this new growth phase, IT firms are expected to help the enterprises to design and deliver “new age” services to their customers by leveraging their existing IT infrastructure. The global financial meltdown will mean some tough times for its suppliers, **but the fittest will survive - and emerge stronger.**

In response to this challenging macroeconomic environment, your Company proposes to:

- Continue to aggressively invest into sales & marketing organization globally to increase our customer base across all of our business lines in the growing SMB (small medium business) segment;
- Foray into newer geographies for further expanding the Hardware & Systems Integration Business where we have the ability to register non-linear growth by leveraging our strong partnerships with global

principals like HP, Cisco & IBM.

- Continue to invest on futuristic technologies like biometrics that hold significant potential in the banking and automotive sectors; InfoDrive has taken the early entrant advantage by executing pilots in several major banking clients in India.
- Further cement the annuity partnerships with our existing customers to provide a broad based array of services and solutions to help them optimize their overall spend and resulting in our garnering an increased wallet share of the spend;
- Aggressively expand our BPO and Infrastructure Management practices, through innovative service delivery models (blended shore offerings) and strategic alliances/JV's, which are growing at more than double the industry pace as clients seek to right-size their cost structure in back-office operations and data centers.
- Focus on growing our Networking & Systems Integration business in the relatively less crowded Middle East market where there has been no decline in IT budgets, especially in the ICT (Information Communication Technology) related initiatives that are driving the enterprise business strategy in that region.
- Opportunistically look for platform alliances that can substantially enhance our geographical footprint and customer access; and
- Strong management discipline on the cost structure - We continually measure and benchmark our operating cost structure to industry standards and incentivise the business units by quantitatively tracking the cost reductions at all operating levels and rewarding the savings initiatives.



Source : Business Consulting Group Analysis

COMPANY OVERVIEW

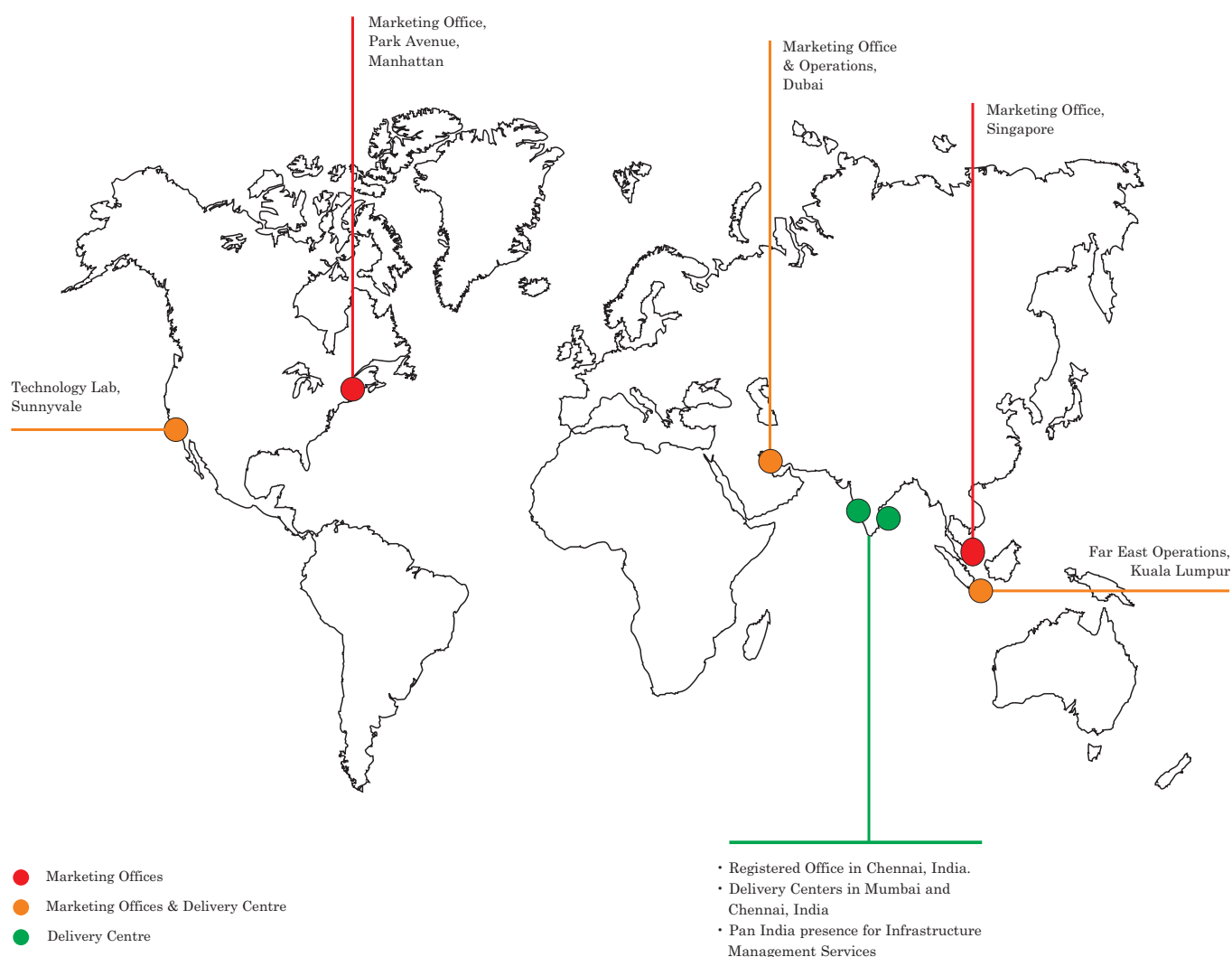
(Information provided in this section pertains to Info-Drive Software Ltd. and its subsidiaries on a consolidated basis).

About Info-Drive Software Limited

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 (Sunnyvale 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 US Pension Administration.

Current Global Footprint



KEY BUSINESS AREAS (Service Lines / Horizontals)

Your Company has integrated its diversified service portfolio to provide the clients with end-to-end solutions which will address the issues of the clients business.

System Integration and Hardware

- Principal partners for HP/CISCO/IBM/Microsoft

Infrastructure Management Services & Integration

- Enterprise Network Monitoring
- Information Security Solutions
- Remote IT Infrastructure Management (RIM)
- Help-Desk & Break-Fix Support

Enterprise Application Solutions

- Microsoft Dynamics Services
- Integrated Core Banking (Islamic) Solution

Technology Consulting

- Integrated Core Banking Solutions (Islamic Banking)
- Cost Conservancy Services
- ITIL Consulting
- Supply Chain Management

Networking & E-Living Solutions

- Home Automation
- Community Connectivity & Datacenter Applications
- Telecom-Internet-Media Convergence

IT Services

- Custom Application Development
- Portals & Content Management
- Quality Consulting
- Web & multimedia Solutions

IT Products

- InsTIL
- Camp IT
- Biometric Products

Benefit Administration KPO

- 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

- Medical Data Capture & Data Management
- Medical Coding & Billing
- Medical Insurance Claims Processing

STRENGTHS & OPPORTUNITIES

IT-BPO sector is facing significant challenges for the first time in its history. The year 2009-10 will see introspection by IT companies on their business models with significant restructuring. A completely different global economic landscape is emerging, where new markets, new services and new customer needs will define the course of the industry.

Post takeover by the new management, the Company during the last two years, had embarked on a restructuring plan and has been able to position with the following Strengths & Opportunities, despite the difficult current Global IT scenario.

Well-balanced portfolio of Services

Your Company has a good mix of niche high-margin and high-scale mainstream offerings. These niche business lines provide profit boosters and volume business lines that ensure top - line growth on a consistent basis. Your Company has pre dominant penetration and market share in the high volume business in Systems Integration & Hardware for Corporate India. Your 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

Precision Infomatic (M) Private Limited has recently won the Silver award from Hewlett-Packard, India for the Best Business partner in services sales in multi location category in the country.

Geography Spread

Your Company operates 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 and sell our services from over five countries that enable your Company address various opportunities in key market segments such as Banking, Financial & Pension Funds Institutions, Hospitality, Real Estate, Telecom and Utilities. Your Company leverages the strong foothold in Malaysia & UAE for addressing the fast growing Islamic Banking Software Solutions segment. Your Company 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.

Commitment to superior quality and process execution

Your Company has developed a project management methodology to 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. Recently, our subsidiary - Precision Techserve Pvt. Ltd. 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).

Continue to enhance our solution set

Your Company seek to continually enhance our portfolio of solutions as a means of developing and growing our business. To differentiate our services, Your Company focus on emerging trends, new technologies and pervasive business issues that confront our clients. In recent year, Your Company has added new service offerings such as Business Process and Technology consulting which have been significant contributors to our growth. Your Company is an Industry leader 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 & community.

Growth platforms

Our three growth platforms - systems integration & technology, business consulting and outsourcing - are the innovation 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. Your Company continues 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.

Talent pool

Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by. Your 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 1500 employees out of which over 1000 have graduated in Information Technology.

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. Your 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 (Pension Administration domain) apart from Business Process Consulting.

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. Your Company has continued to invest in various businesses through the downturn and continues to invest in strengthening its marketing infrastructure across geographies.

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. Over the years, Precision Infomatic (M) Private Limited - 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.

The Company has impressive list of premier blue-chip clientele and would be tapped to cross sell our other service offering.

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. Your Company is leveraging its capability as an integrated solutions provider, with appropriate technology expertise and domain knowledge, to deepen its relationships with its clients. Recently, your Company demonstrated the ability to build and manage relationships with few of the world's best known companies like Google, Sun and Intel.

THREATS, RISK AND RISK MITIGATION

The current global macroeconomic challenge is both multi-faceted & multi-dimensional. It is a looming threat for an early recovery as it involves a longer recovery cycle.

Our future depends on a number of factors, including:

- 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;
- 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;
- volatile movements in currencies; and
- other economic and political factors in the geographies where your Company is present.

The risk management function is integral to InfoDrive that enable continuous monitoring and management of the organization's risks. The Audit Committee of the Board monitors the risk framework to provide direction to the management from time to time. The framework is designed to provide an integrated approach for managing the risks in various aspects of the business to cover all primary risk categories, which are Strategy; Industry; Market; Resources; Operations IT Security and Project Execution; Internal Audit; Treasury; Legal; Business

Continuity Planning. The mitigation plan is designed based on management's response to the assessed risks.

The policies with respect to risk assessment & management as adopted by the Company are presented to the Board for review, from time to time. This provides an integrated approach for managing the perceived risks in various aspects of the business. The top management is well acquainted with the risks inherent to the IT business and the risks emerging from its strategic decisions.

Your Company too faces several business risks, of which some prominent ones are discussed hereunder.

Macro Economic Risk

Market Risk

Your Company operates in 5 countries and in different economies. The economic crisis has impacted these geographies in varying measures. Future revenue and profitability are dependent on growth in the IT spend in these economies. In order to combat the risk in different economies, we have fine tuned our business model by increased offshore leverage, higher utilization levels and increased number of fixed-price contracts that will help us drive cost-optimization and margin improvement.

Business Risk

Your Company faces risks of competition in its BPO and Information Technology business. Inspired by the Indian IT-ITES success story, several other nations have started representing alternate destinations for offshore based out sourcing. However, India still remains a preferred offshore destination; the main challenge is from countries like China, Malaysia, Philippines and East European Countries. Potential threat for the Company comes from the leading Indian IT vendors, Global IT Services companies having bases in India. Increased competition could result in pressure on pricing and commoditization of some services. Your Company is addressing same by increasing its service offerings, proven, systematic, sustainable and scalable tools that effectively provide value proposition to its customers.

Credit Risk

During the last financial year, the global economy was subject to great turmoil. The crisis in the financial sector led to a lower confidence in financial markets resulting to a global credit crunch. As a result of the global recession, market related business and credit risks with clients are expected to rise. This is likely to affect the Group's revenues and profitability.

Our strategy involves effectively leveraging customer relationships built over many years and work closely to monitor the credit duration and exposure with each specific customer and by pro-actively planning the receivables cycle.

Financial Risk

Volatility in Rupee-Dollar Exchange

Your Company's revenues are denominated in foreign currency apart from the Indian rupee revenues derived from domestic market. Predominantly the foreign currency revenues are United States Dollars, United Arab Emirates Dirham and Malaysian Ringgit. Any strengthening of the Indian rupee against the U.S. dollar or other foreign currencies could adversely affect our profitability. During the year under review, large proportion of the revenues and costs are denominated in Indian Rupees (INR). And exchange risk for the year under review has been minimal. However to mitigate risk, your Company would follow a proactive hedging policy.

STP- Tax benefits related risk

Currently, your Company benefits from 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. Your Company plans to set up facilities in Special Economic Zone (SEZ) that would also provide tax benefits similar to those in STPI.

Strategy Risk

Executing M&A Transaction's risk

Your Company follows a very structured approach in pursuance of its M&A strategy. Many of the risks are mitigated by restricting the choice of target companies by applying certain rigorous due diligence across legal, business, financial and human resource functions. The inorganic growth opportunities face a risk with respect to executing its post acquisition operating transactions. The risk exposure in this area lies in the successful integration of acquired entities within the framework of a common operational guideline. Your Company has identified a transition team that would address the Financial (managing cash flows & return expectations, Tax and transfer pricing, accounting and compliance), Operational (integrating systems & processes, information flow), Business (establishing synergy between different entities) and People integration (performance metrics, motivating and managing aspirations) aspects. The team is involved in the integration effort to incorporate learning from different structures to reinforce desired culture and inspire sense of ownership.

Outlook

In the recent past, the volatility and uncertainty in the global markets has led to an economic downturn that impacted the Indian IT - BPO industry more than expected. Even as the economic downturn has compelled organizations to reduce their outsourcing budgets, the advantages of global sourcing are seen as an opportunity to leverage unique services & technology led business consulting to maintain competitiveness.

Global industry analysts report that as discerning organizations understand the value of business-outcome focused outsourcing as against low-cost oriented outsourcing, the current recession could create additional opportunities for the highly specialized service providers. In line with this industry consensus, we at InfoDrive have:

- continued to invest and focus on Greenfield initiatives that we believe will enable us to emerge stronger with the recovery of global economy.
- strengthen our capabilities for competitive differentiation in technology horizontals like e-Living, niche micro-verticals like Benefit administration KPO (Knowledge Process Outsourcing) services.
- focus on developing IP-led frameworks, solutions / services in emerging areas like Biometrics for banking & automobile segments.
- continue to invest in domain expertise to enhance productivity and operational efficiency for ROI-centric offerings like cash conservancy services and supply chain management that deliver tangible savings for our customers.
- go to market with innovative business models by adding consulting and Business Transformation services as our offerings to support the mainstream IT Services engagements for large clients globally.
- continue to drive growth through cross-selling and stronger account mining to optimize the cost of new business acquisition.
- focus on emerging mid-market opportunities in the USA & Middle East where your Company has established a strong sales & marketing footprint.

Your Company has made significant progress on all of the above points to remain positive on the long-term prospects of our business portfolio. Your Company is extremely confident that its specialized service offerings and its transformational initiatives, executed by an experienced and energized global management team, will continue to surpass stakeholder expectations in both short and long-term horizons.

Internal Control System and their adequacy

Management is responsible for establishing and maintaining adequate internal control over financial reporting of your Company. Your Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding assets, preparing of financial statements of the Company and ensuring compliance with corporate policies. The Internal Audit function ensures:

- adequate processes, systems, internal controls are implemented and these controls are commensurate with the size and operations of the Company.
- transactions are executed in accordance with policies and authorization.
- resources have been deployed as per the business plan, policies and authorization.

The Company's audit committee, which is a sub-committee of the board, reviews adherence to internal control systems, internal audit reports, risk management and legal compliances. This committee reviews all quarterly and yearly results of the Company and recommends the same to Board for their approval.

The Company continuously strives to align all its processes and controls with best practices.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

INFO-DRIVE SOFTWARE LIMITED (CONSOLIDATED)

The Management Discussion and Analysis below relates to the consolidated audited financial statements of Info-Drive Software Limited and includes the results of its subsidiaries. The Discussion should be read in conjunction with the financial statements and related 'Notes to the Consolidated Accounts' of Info-Drive Software Limited for the year ended March 31, 2009.

The financial statements have been prepared in compliance with requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The 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.

Results of Operations (Consolidated)

Revenue from Operations

In fiscal 2009, the total operating income aggregated to Rs. 20,167.02 Lacs. The Company's revenues consist mainly of income from Technology Consulting, Hardware sales & Services, System Integration, Banking Solutions and from Business Process Outsourcing services. The Company recognizes contracts priced on a time & 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	Rs. Lacs	
	2009	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	19410.36

Expenditure

Employee costs: The Consolidated 'Total Employee Costs' for fiscal 2009 was Rs. 3,326.07 Lacs (Rs. 2,014.92 Lacs) Total employee cost as a percentage of total income was 16.49% (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 which is a result of acquisition of Technoprism LLC. 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.

Profit before Interest, Depreciation and Taxes (PBIDT)

The profit before interest, depreciation and taxes (PBIDT) in fiscal 2009 was Rs. 1459.04 Lacs (Rs. 1598.16 Lacs in fiscal 2008). PBIDT 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 allround increase in costs and pressure on selling price.

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. 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 remains 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 March 31, 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 March 31, 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 March 31, 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:

- 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);

- 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:

- increase in sundry creditors Rs. 2988.35 lacs as at March 31, 2009 (Rs. 2624.80 lacs as at March 31, 2008);
- 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 March 31, 2009 amounted to Rs. 606.91 Lacs (Rs. 1761.84 Lacs).

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, 2009.

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.

Results of Operations (Unconsolidated)

Revenue from Operations

The Company's revenue consist mainly of income from e-Living, Pension Plan Administration and Consultancy Services. The Company recognizes contracts priced on a time and materials basis when services are rendered and related costs incurred. The Company's (unconsolidated) revenues increased to Rs. 1364.84 Lacs in fiscal 2009 from Rs. 424.70 Lacs in fiscal 2008 a growth of more than three times (3.21 times) in the year under review. Revenues increased due to projects signed up on the e-living segment as well as in BPO services.

Other Income

Other income comprises interest received on deposits and gains due to exchange rate fluctuations. Other income in fiscal 2009 was Rs. 96.72 Lacs (Rs. 48.98 Lacs in fiscal 2008)

Expenditure

Employee costs: Employee Cost in fiscal 2009 was Rs. 164.05 Lacs (Rs. 71.68 Lacs in fiscal 2008). Employee cost as a percentage of revenue was 11.22% in fiscal 2009 as compared to 15.13% in fiscal 2008. The increase in costs is due to hiring of resources for execution of new projects. Due to better utilization of resources the employee cost as a percentage to revenue has come down.

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. 91.54 Lacs in fiscal 2008 to Rs. 134.29 Lacs in fiscal 2009, an increase of almost 1.5 times.

Profit before Interest, Depreciation and Taxes (PBITD)

The PBITD in fiscal 2009 was Rs. 573.67 Lacs an increase of almost 1.9 times from Rs. 310.41 Lacs in fiscal 2008.

Interest costs & Depreciation

Interest expenses increased from Rs. 17.06 Lacs in fiscal 2008 to Rs. 18.58 Lacs in fiscal 2009. Depreciation charge increased from Rs. 7.07 Lacs in fiscal 2008 to Rs. 21.14 Lacs in fiscal 2009 an increase of around 2.99 times. In terms of total income, depreciation charge was 1.44% in fiscal 2009 (1.49% in fiscal 2008). The value-increase in fiscal 2009 is attributable to additions in infrastructural facilities compared to fiscal 2008.

Profit before Taxes

The Profit before taxes (PBT) in fiscal 2009 was Rs. 533.95 Lacs, an increase of 1.86 times from Rs. 286.28 Lacs in fiscal 2008.

Dividend

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

Profit After Tax (PAT)

The Company has achieved a PAT of Rs. 521.97 Lacs in fiscal 2009 compared to Rs. 227.67 Lacs in fiscal 2008 an increase of 2.29 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.

	<i>Rs. Lacs</i>	
	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. 332.33 Lacs (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).

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 March 31, 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 March 31, 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 March 31, 2009 (Rs. 459.04 Lacs as at March 31, 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:

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

- increase in sundry creditors Rs. 461.69 Lacs as at March 31, 2009 (Rs. 11.88 Lacs as at March 31, 2008);
- 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) and it is for 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. 3.56 Lacs (-Rs. 58.32 Lacs). In fiscal 2009, significant item of cash used in financing activities was due to payment of dividend including tax Rs. 171.05 Lacs (Rs. 171.05 Lacs). Issue related expenses Rs. Nil Lacs (Rs. 43.20 Lacs).

Cash Position

Cash and cash equivalents as at March 31, 2009 amounted to Rs. 203.37 Lacs (Rs. 459.04 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.



Auditor's Report

Auditor's Report

**To the members of
INFO-DRIVE SOFTWARE LIMITED**

I have audited the attached Balance Sheet of INFO-DRIVE SOFTWARE LIMITED, as at March 31, 2009 and also the Profit and 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, 2009 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, 2009.
 - 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

Sd/-
K. Subba Reddy (Proprietor)
Membership no. 208754

Chennai
07.08.09

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF INFO-DRIVE SOFTWARE LIMITED

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|--|--|
| <p>i) a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.</p> <p>b) As explained to me, all the fixed assets have been physically verified by the management during the year.</p> <p>c) There were no substantial disposal of fixed assets during the year.</p> | <p>particulars of contracts or arrangements need to be entered into the register maintained under section 301 of the Act have been so entered.</p> |
| <p>ii) a) The inventory have been physically verified by the management at reasonable intervals and in my opinion the frequency of verification is reasonable.</p> <p>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.</p> <p>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.</p> | <p>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.</p> |
| <p>iii) a) The Company has granted interest free unsecured loans to one company and interest bearing loans to four companies covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 513.07 lacs and year end balance was Rs. 344.69 Lacs.</p> <p>b) The rate of interest where ever applicable and other terms and conditions of loans given by the Company are not prima facie prejudicial to the interest of the Company.</p> <p>c) The aforesaid loans are repayable on demand and consequently we have no comment as there are no specific terms and conditions in respect of repayment of principal.</p> <p>d) The Company has not taken any loans secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.</p> | <p>vi) The Company has not accepted any deposits from the public as per section 58A, 58AA or any other relevant provisions of the Act.</p> <p>vii) The Company has an internal audit system commensurate with the size and nature of its business.</p> <p>viii) The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 for the Company.</p> |
| <p>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.</p> | <p>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 March 31, 2009 for a period of more than six months from the date they become payable.</p> <p>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.</p> |
| <p>v) a) According to the information and explanations given to me, I am of the opinion that the</p> | <p>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.</p> <p>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.</p> <p>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.</p> |

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| <p>xiii) The Company is not a chit/nidhi/mutual benefit fund/society and clause xiii of the Order is not applicable.</p> <p>xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.</p> <p>xv) The Company has given guarantees in connection with loans taken by subsidiaries from Banks. In my opinion, the terms and conditions of the guarantees given are not prima-facie prejudicial to the interest of the Company.</p> <p>xvi) In my opinion, the term loans have been applied for the purpose for which they were raised.</p> <p>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.</p> <p>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.</p> | <p>xix) The Company did not have any outstanding debentures during the year.</p> <p>xx) The Company has not raised any money by public issue during the year.</p> <p>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.</p> |
|--|---|

For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Chennai
07.08.09

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

Balance Sheet



BALANCE SHEET AS AT MARCH 31, 2009

Rs. Lacs

	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS:			
SHARE HOLDERS' FUNDS			
Share Capital	A	2,923.89	2,923.89
Reserves & Surplus	B	1,764.81	1,562.11
LOAN FUNDS			
Secured Loans	C	37.55	31.61
Unsecured Loans	D	332.33	259.25
Deferred Tax Liability	E	-	7.80
Total		5,058.58	4,784.66
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	F	428.88	159.81
Less: Depreciation		101.81	80.67
Net Block		327.07	79.14
INVESTMENTS			
In subsidiary companies - Un quoted	G	3,772.02	3,492.68
Deferred Tax Asset	E	38.01	-
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	H	17.17	15.23
b. Sundry Debtors	I	942.80	186.58
c. Cash & Bank Balances	J	203.37	459.04
d. Loans & Advances	K	470.67	389.86
		1,634.01	1,050.71
LESS: CURRENT LIABILITIES			
a. Current Liabilities	L	651.58	159.13
b. Provisions	M	228.33	203.50
Net Current Assets		754.10	688.08
MISCELLANEOUS EXPENDITURE			
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)	N	51.64	58.10
Profit and Loss Account		115.74	466.66
		167.38	524.76
Total		5,058.58	4,784.66

Notes on accounts

The Schedules referred to above and the notes thereon form an integral part of these financial statements

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/- K. Chandrasekaran Managing Director & CEO	Sd/- N.T. Shivkumar Wholetime Director & COO	Sd/- V.N. Seshagiri Rao Director	Sd/- K. Shivakumar Jt. Managing Director	Sd/- V. Gopal Rao President & Company Secretary	Sd/- ANL Madhavann Chief Financial Officer
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As per my report of even date
For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

Chennai
07.08.09

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Rs. Lacs

	Schedule	2008-09	2007-08
INCOME:			
Income from operations	O	1,364.84	424.70
Other Income	P	96.72	48.98
		1,461.56	473.68
EXPENDITURE:			
Cost of goods sold	Q	589.55	0.05
Employees Cost	R	164.05	71.68
Administrative, Selling & Other Expenses	S	134.29	91.54
Finance Charges	T	18.58	17.06
Depreciation	F	21.14	7.07
		927.61	187.40
Profit for the year before taxation		533.95	286.28
Less: Goodwill written off		-	18.34
		533.95	267.94
Less: Provision for Taxation including FBT		57.80	32.47
Provision for Deferred Tax		(45.82)	7.80
Net Profit for the year		521.97	227.67
Less: Proposed dividend including distribution tax		171.05	171.05
		350.92	56.62
Balance brought forward from previous year (Loss)		(466.66)	(523.28)
Balance carried to Balance Sheet		(115.74)	(466.66)

Notes on accounts

U

The Schedules referred to above and the notes thereon form an integral part of these financial statements

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
K. Chandrasekaran	N.T. Shivkumar	V.N. Seshagiri Rao	K. Shivakumar	V. Gopal Rao	ANL Madhavann
Managing Director & CEO	Wholtime Director & COO	Director	Jt. Managing Director	President & Company Secretary	Chief Financial Officer

As per my report of even date
For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

Chennai
07.08.09

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

	31.03.2009	31.03.2008
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 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
Exchange Fluctuation Reserve	202.70	-
	1,764.81	1,562.11
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
	332.33	259.25
SCHEDULE - E		
DEFERRED TAX BALANCES - NET		
a. Depreciation - Liability	16.99	7.80
b. Minimum Alternate Tax - asset	55.00	-
	38.01	7.80

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

SCHEDULE - F

FIXED ASSETS

Net Block as on 01.04.2008	Particulars	Gross Block as on 01.04.2008	Additions	Gross Block as on 31.03.2009	Upto 01.04.2008	For the year	Total	Net Block as on 31.03.2009
4.19	Plant & Machinery	17.57	-	17.57	13.38	0.84	14.22	3.35
3.41	Furniture & Fittings	18.45	1.94	20.39	15.04	1.27	16.31	4.08
9.69	Office Equipments	10.62	5.24	15.86	0.93	0.75	1.68	14.18
2.47	Electrical Installations	2.50	-	2.50	0.03	0.12	0.15	2.35
20.73	Vehicles	21.31	17.85	39.16	0.58	3.23	3.81	35.35
14.31	Computers	61.66	50.89	112.55	47.35	10.44	57.79	54.76
24.34	Software Package	27.70	7.00	34.70	3.36	4.49	7.85	26.85
-	Advance for assets	-	186.15	186.15	-	-	-	186.15
79.14		159.81	269.07	428.88	80.67	21.14	101.81	327.07

Rs. Lacs

	31.03.2009	31.03.2008
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
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 Dhiraams 1000 each fully paid up)	470.80	368.65
Precision Infomatic (Madras) Private Limited		
(124,900 equity shares of Rs.10/- each fully paid up)	900.00	900.00
	3,772.02	3,492.68
SCHEDULE - H		
INVENTORIES		
Stock of Bharatanatyam CDs	15.23	15.23
Stock in hand at agent	1.94	-
(at cost and as certified by the Management)	17.17	15.23

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

	31.03.2009	31.03.2008
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
	942.80	186.58
SCHEDULE - J		
CASH & BANK BALANCES		
a. Cash on hand	4.11	2.11
b. Cheques on hand	190.72	-
c. With Banks - in Current Account and Deposit Account	8.54	456.93
	203.37	459.04
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
b. Staff Advances	2.53	1.15
c. Prepaid Taxes	12.02	11.99
d. Intercompany Loans	393.23	316.47
e. Security Deposit with BSE	12.00	12.00
	470.67	389.86
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
- Unclaimed Dividend	2.83	-
	651.58	159.13

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

	31.03.2009	31.03.2008
SCHEDULE - M		
PROVISIONS		
- Provision for Taxation & FBT	57.28	32.45
- Proposed Dividend	146.19	146.19
- Provision for tax on proposed dividend	24.86	24.86
	228.33	203.50
SCHEDULE - N		
MISCELLANEOUS EXPENDITURE		
Right Issue Expenses	58.10	64.56
Less: Written off during the year	6.46	6.46
	51.64	58.10

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Rs. Lacs

	2008-09	2007-08
SCHEDULE - O		
INCOME FROM OPERATIONS		
Sales and Services	1,364.84	424.70
	1,364.84	424.70
SCHEDULE - P		
OTHER INCOME		
Interest Income	39.68	48.81
Exchange Fluctuation	57.04	0.17
	96.72	48.98
SCHEDULE - Q		
COST OF GOODS SOLD		
Opening Stock	15.23	15.28
Purchase of materials/services	591.49	-
Less: Closing Stock	17.17	15.23
	589.55	0.05
SCHEDULE - R		
EMPLOYEES COST		
Staff Salaries	142.18	59.03
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
	164.05	71.68

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Rs. Lacs

	2008-09	2007-08
SCHEDULE - S		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Communication Expenses	15.49	11.51
Rent, Rates & Taxes	13.28	7.63
Business Development expenses	10.20	0.01
Travelling & Conveyance	40.22	19.30
General Expenses	4.18	4.28
Printing & Stationery	6.60	4.37
Repairs & Maintenance		
- Vehicle Maintenance	0.57	0.72
- Office Maintenance	3.12	1.94
- Plant & Machinery	1.01	0.70
- Others	2.57	3.02
Professional & Legal Expenses	21.36	21.93
Donations	0.04	0.01
Electricity Expenses	4.37	2.14
Insurance	0.64	0.57
Issue Expenses written off	6.46	6.46
Auditor's remuneration		
- Statutory Audit	1.00	0.60
- Tax Audit	0.40	0.25
- Others	0.10	0.15
Advertisement	2.68	5.95
	134.29	91.54
SCHEDULE - T		
FINANCE CHARGES		
Interest & Bank Charges	18.58	17.06

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

Rs. Lacs

	2008-09	2007-08
A. Cash flow from operating activities		
Profit before taxes	533.95	286.28
Adjustments for		
Depreciation	21.14	7.07
Interest Income	(39.68)	(48.81)
Miscellaneous Expenses	6.46	6.46
Goodwill written off	-	(18.34)
Other income	(57.04)	(0.17)
Operating profit before working capital changes	464.83	232.49
Adjustments for increase/(-) decrease in		
Sundry Debtors	(756.22)	(178.58)
Loans & Advances	(80.81)	(385.84)
Inventories	(1.94)	0.05
Current Liabilities & Provisions	517.28	620.13
Cash generated from/(used in) operations	143.14	288.25
Interest Income	39.68	48.81
Other income	57.04	0.17
Taxes paid	(57.79)	(32.47)
Net cash from operating activities	182.07	304.76
B. Cash flow from investing activities:		
Investment in Subsidiary Companies	-	(3,491.80)
Purchase of Fixed Assets	(269.07)	(39.02)
Net cash flow from/(used in) investing activities	(269.07)	(3,530.82)
C. Cash flow from financing activities:		
Long term borrowings (Net)	5.94	31.62
Short term borrowings (Net)	(3.56)	(58.32)
Rights issue	-	3,926.00
Rights issue expenses	-	(43.20)
Dividend including distribution tax	(171.05)	(171.05)
Net cash from financing activities	(168.67)	3,685.05
Net increase/decrease in cash and cash equivalents	(255.67)	458.99
Cash & Cash equivalents (Opening Balance)	459.04	0.05
Cash & Cash equivalents (Closing Balance)	203.37	459.04

For and on behalf of INFO-DRIVE SOFTWARE LIMITED

Sd/- K. Chandrasekaran Managing Director & CEO	Sd/- N.T. Shivkumar Wholtime Director & COO	Sd/- V.N. Seshagiri Rao Director	Sd/- K. Shivakumar Jt. Managing Director	Sd/- V. Gopal Rao President & Company Secretary	Sd/- ANL Madhavann Chief Financial Officer
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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.

For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No.208754

NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - U

Notes attached to and forming part of the Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended March 31, 2009.

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 under review the Company has acquired majority stake in the following companies.

Sl.No.	Name of the company acquired	% of holding
1.	Technoprism LLC - Subsidiary of Info-Drive Software Inc. USA	51
2.	Info-Drive Software Limited, Canada	100

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 crystallise 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 there 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.	Info-Drive Software Inc, USA	Subsidiary Companies
2.	Info-Drive Software LLC, Dubai	
3.	Info-Drive Software Pte Ltd, Singapore	
4.	Info-Drive Systems Sdn Bhd, Malaysia	
5.	Info-Drive Software Limited, Canada	
6.	Precision Infomatic (Madras) Pvt Ltd, India	
7.	Precision Techconet Private Limited	Fellow Subsidiary Companies (Subsidiaries of Precision Infomatic (Madras) Private Limited)
8.	Legend Systems Private Limited	
9.	Precision Techserve Private Limited	
10.	Precision Galaxy Private Limited	
11.	Technoprism LLC, USA	Fellow Subsidiary Company (Subsidiary of Info-Drive Software Inc., USA)
12.	K. Chandrasekaran	Key Management personnel
13.	K. Shivakumar	
14.	N. T. Shivkumar	

Sl.No.	Nature of Transaction	Name of the related party	31.03.2009 (in Rs.)	31.03.2008 (in Rs.)
1.	Investment in Equity	Info-Drive Software Inc Info-Drive Software LLC Info-Drive Software Pte Ltd Info-Drive Systems Sdn Bhd Precision Infomatic (M) Pvt Ltd Info-Drive Software Ltd (Canada)	51,87,822/- 4,70,79,800/- 68,47,775/- 22,80,85,758/- 9,00,00,000/- 40/-	40,36,495/- 3,68,65,000/- 57,39,030/- 21,26,00,040/- 9,00,00,000/- Nil
2.	Advance given	Info-Drive Software Inc Info-Drive Software LLC Precision Infomatic (M) Pvt Ltd Precision Techserve Pvt Ltd Precision Techconet Pvt Ltd Legend Systems Pvt Ltd Info-Drive Software Ltd (Canada)	2,13,61,620/- 9,74,556/- 20,96,044/- 69,15,119/- 9,14,312/- 31,81,749/- 34,877/-	1,57,92,000/- Nil Nil 25,00,000/- Nil Nil Nil
3.	Advance taken	Info-Drive Software Pte Ltd Info-Drive Systems Sdn Bhd	16,65,315/- 6,04,755/-	Nil Nil
4.	Sales & Services	Info-Drive Software Inc Info-Drive Software LLC	1,10,11,924/- 1,92,95,251/-	1,86,57,902/- Nil
5.	Purchase & Services	Info-Drive Software LLC	4,92,32,389/-	Nil
6.	Receivables	Precision Infomatic (M) Pvt Ltd	Nil	6,38,590/-
7.	Interest received	Precision Infomatic (M) Pvt Ltd Precision Techserve Pvt Ltd Precision Techconet Pvt Ltd Legend Systems Pvt Ltd	2,79,151/- 5,02,055/- 1,95,110/- 3,39,720/-	Nil Nil Nil Nil
8.	Guarantee given	Precision Infomatic (M) Pvt Ltd Precision Techconet Pvt Ltd	12,64,00,000/- 2,10,00,000/-	Nil Nil
9.	Commission paid	Info-Drive Software LLC	9,64,763/-	Nil
10.	Dividend paid	K. Chandrasekaran N. T. Shivkumar K. Shivakumar	7,30,450/- 1,75,000/- 2,29,545/-	Nil Nil Nil
11.	Remuneration	K. Shivakumar	3,50,000/-	3,00,000/-

I. Exchange Fluctuation

Exchange differences on account of fluctuations in foreign currency rates:

- Exchange difference gain/(loss) recognised in the Profit and Loss Account relating to exports/services during the year.
- Exchange difference gain recognised in the Balance Sheet relating to investments as exchange fluctuation reserve.

m. Managerial Remuneration*In Rs.*

	2009	2008
Remuneration	3,50,000/-	3,00,000/-
Perquisites	Nil	Nil

n. Auditors Remuneration*In Rs.*

	2009	2008
As auditors	1,00,000/-	60,000/-
As tax auditors	40,000/-	25,000/-
For other services	10,000/-	15,000/-

o. Contingent Liabilities

On guarantees and counter guarantees given to bankers Rs. 1474 lakhs (March 31, 2008 - Rs. Nil)

p. Dues to SSI's

As at March 31, 2009 the company has no outstanding dues to Micro Enterprises, Small Enterprises and Small Scale Industrial Undertakings.

q. 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.

Rs. Lacs

	2009	2008
Earnings in Foreign Currency	1356.95	424.64
Expenditure in Foreign Currency	565.92	1.82
Investment in Foreign Currency	9.89	1224.33
Remittance in Foreign Currency for Dividend	13.75	Nil

r. 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
Profit after tax and extraordinary items	Rs. 5,21,97,116/-	Rs. 2,27,66,893/-
No. of equity shares outstanding during the year	2,92,38,890	2,92,38,890
Basic & Diluted Earnings Per Share	Re.1.79	Re.0.78

s. 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:

	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

t. The figures for the current year and previous year have been rounded off to the nearest Lac.

u. Previous year's figure have been regrouped and reclassified wherever necessary to conform to current year's classification.

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/-
K. Chandrasekaran
Managing Director & CEO

Sd/-
V.N. Seshagiri Rao
Director

Sd/-
V. Gopal Rao
President & Company Secretary

Sd/-
N.T. Shivkumar
Wholetime Director & COO

Sd/-
K. Shivakumar
Jt. Managing Director

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No.208754

Chennai
07.08.09

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	:	15475	State Code	:	18
Balance Sheet Date	:	31-03-2009			

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

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

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

Total Liabilities	:	505858	Total Assets	:	505858
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Sources of Funds

Paid up Capital	:	292389
Reserves & Surplus	:	176481
Secured Loans	:	3755
Unsecured Loans	:	33233
Deferred tax liability	:	—

Application of Funds

Net Fixed Assets	:	32707
Investments	:	377202
Net Current Assets	:	75410
Misc. Expenditure	:	5164
Accumulated Losses	:	11574
Deferred Tax Asset	:	3801

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

Turnover	:	146156	Total Expenditure	:	92761
Profit/(Loss) before tax	:	53395	Profit/(Loss) after tax	:	52197
Earnings per Share in Rs.	:	1.79	Dividend rate %	:	5%

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

Item Code	:	85241000
Product Description	:	Software

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/-	Sd/-	Sd/-
K. Chandrasekaran	N.T. Shivkumar	V.N. Seshagiri Rao
Managing Director & CEO	Wholetime Director & COO	Director

Sd/-
K. Shivakumar
Jt. Managing Director

Sd/-
V. Gopal Rao
President & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

Chennai
07.08.09

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members 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, 2009 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 our 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. 7656.88 lakhs as at March 31, 2009, total revenues of Rs. 19127.92 lakhs and cash inflows amounting to Rs. 606.91 lakhs 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, 2009;
- 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

Chennai
07.08.09

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

			Rs. Lacs
	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS:			
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			
Gross Block	F	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

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/- K. Chandrasekaran Managing Director & CEO	Sd/- N.T. Shivkumar Wholtime Director & COO	Sd/- V.N. Seshagiri Rao Director	Sd/- K. Shivakumar Jt. Managing Director	Sd/- V. Gopal Rao President & Company Secretary	Sd/- ANL Madhavann Chief Financial Officer
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As per my report of even date
For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Rs. Lacs

	Schedule	2008-09	2007-08
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

V

The Schedules referred to above and the notes thereon form an integral part of these financial statements

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
K. Chandrasekaran	N.T. Shivkumar	V.N. Seshagiri Rao	K. Shivakumar	V. Gopal Rao	ANL Madhavann
Managing Director & CEO	Wholetime Director & COO	Director	Jt. Managing Director	President & Company Secretary	Chief Financial Officer

As per my report of even date
For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

Chennai
07.08.09

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Rs. Lacs

	As at 31.03.2009	As at 31.03.2008
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. Minimum Alternate Tax - asset	55.00	-
	27.27	22.23

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Rs. 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	Upto 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

Rs. Lacs

	31.03.2009	31.03.2008
SCHEDULE - G		
INVESTMENTS		
Investments in Mutual Funds	10.50	10.50
Franklin Templeton Fixed Tenure Fund 100,000 (units @ Rs 10/- each)	10.50	10.50
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

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Rs. Lacs

	31.03.2009	31.03.2008
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. Intercompany 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

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Rs. Lacs

	2008-09	2007-08
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

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Rs. Lacs

	2008-09	2007-08
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 MARCH 31, 2009

Rs. Lacs

	2008-09	2007-08
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
Taxes paid	(66.67)	(178.72)
Net cash from operating activities	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	(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	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

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
K. Chandrasekaran	N.T. Shivkumar	V.N. Seshagiri Rao	K. Shivakumar	V. Gopal Rao	ANL Madhavann
Managing Director & CEO	Wholetime Director & COO	Director	Jt. Managing Director	President & Company Secretary	Chief Financial Officer

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.

For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-

K. Subba Reddy (Proprietor)
Membership No.208754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - V

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.

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 judgements 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 judgements 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.

Business Segment

The Company operates in only one segment viz Information Technology.

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.

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 31.03.2009
Profit for the year attributable to equity holders of the parent	Rs.801.70 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

Subsidiaries

Details of the Company's subsidiaries as at March 31, 2009 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 & software
Info-Drive Systems SDN. BHD.	Malaysia	100%	Computer Consulting, hardware & software
Info-Drive Software Inc.	USA	100%	Computer Consulting, hardware & Software
Info -Drive Software PTE Ltd.	Singapore	100%	Computer Consulting, hardware & Software
Info-Drive Software LLC.	Dubai	80%	Computer Consulting, hardware & Software
Info-Drive Software Limited	Canada	100%	Computer Consulting, hardware

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.

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.

Contingent Liabilities

Financial guarantees given to banks aggregates to Rs. 1556 lacs as at March 31, 2009 (March 31, 2008 - Rs. 82 Lacs)

Share-based Payments

Equity-settled share option scheme

The Company does not have a share option scheme for any employees of the Group.

Related Party Transactions

The transactions between the Company and its subsidiaries which are related parties of the Company have been eliminated on consolidation.

Reclassification and Regrouping of Accounts

Certain accounts in the financial statements for the year ended March 31, 2008 have been reclassified and regrouped to conform to the presentation in the financial statements for the year ended March 31, 2009.

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 August 7, 2009

For and on behalf of **INFO-DRIVE SOFTWARE LIMITED**

Sd/-	Sd/-	Sd/-
K. Chandrasekaran	N.T. Shivkumar	V.N. Seshagiri Rao
Managing Director & CEO	Wholetime Director & COO	Director

Sd/-	Sd/-	Sd/-
K. Shivakumar	V. Gopal Rao	ANL Madhavann
Jt. Managing Director	President & Company Secretary	Chief Financial Officer

As per my report of even date
For **K. S. REDDY ASSOCIATES**
Chartered Accountants

Sd/-
K. Subba Reddy (Proprietor)
Membership No. 208754

Chennai
07.08.09

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Rs. Lacs

Sl. No	Name of the Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiary	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Country
1.	Precision Infomatic (Madras) Pvt Ltd	INR	1.00	24.49	1,003.00	2,916.44	1,888.95	10.50	14,554.43	(56.71)	31.26	(87.97)	-	India
2.	Info-Drive Systems Sdn Bhd	RM	13.95	139.51	602.68	998.05	255.86	-	1,474.72	28.00	9.77	18.23	-	Malaysia
3.	Info-Drive Software LLC	AED	13.85	41.54	522.43	765.38	201.41	-	2,012.36	297.28	-	297.28	-	UAE
4.	Info-Drive Software Inc	USD	50.86	51.88	174.65	2,921.92	2,695.39	-	1,086.37	38.78	(35.84)	74.62	-	USA
5.	Info-Drive Software Pte Ltd	SGD	33.31	68.48	(13.40)	55.08	-	-	0.04	(0.67)	-	(0.67)	-	Singapore
6.	Info-Drive Software Limited	CAD	40.36	0.01	0	0.01	-	-	-	-	-	-	-	Canada

Note: Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2009

*Applied for

For INFO-DRIVE SOFTWARE LIMITED

Sd/-
V. N. Seshagiri Rao
Director

AGM HELD ON SEPTEMBER 23, 2008





Info-Drive Software Ltd.

INFO-DRIVE SOFTWARE LIMITED

Regd. Office: No.3, Moores Road, 'Buhari Building', II Floor,
Chennai – 600 006, India

Dear Shareholder,

SEBI has advised that all companies should use Electronic Clearing System (ECS) facility for distributing dividends or other cash benefits to the investors wherever available. In the absence of availability of ECS facility, the companies may use warrants for distributing the Dividends.

Currently, ECS facility is available at the following locations viz., **Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram.** We request all the shareholders residing in the above locations to give their bank details so that all future dividend payments can be remitted through ECS. The bank account details will be used for suffixing along with the name of the shareholder on the dividend warrants issued in future.

Sd/-
V. GOPAL RAO
President & Company Secretary

ECS MANDATE FORM

(For use of the shareholders holding shares in physical mode only)

To

Cameo Corporate Services Ltd.,
Unit : Info-Drive Software Limited
"Subramaniam Building"
No.1, Club House Road
Chennai 600 002

Place : _____

Date : _____

Dear Sirs,

Change in mode of payments to Electronic Clearing System (ECS)

I hereby give consent to have the amount of Dividend on my equity shares credited through the Electronic Clearing Systems (Credit Clearing) (ECS). The particulars are :

Folio No.

--	--	--	--	--	--	--	--	--

Name of the First Holder

--

Bank Name

--

Branch Name

--

Account Number

--

Account Type

Savings	<input type="checkbox"/>	Current	<input type="checkbox"/>	Cash Credit	<input type="checkbox"/>
---------	--------------------------	---------	--------------------------	-------------	--------------------------

Branch

--	--	--	--	--	--	--	--	--

(9 Digits Code Number Appearing on the MICR Band of the cheque supplied by the Bank) Please attach a Xerox copy of cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name.

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or any other reason, I would not hold the Company / Registrars & the Share Transfer Agents responsible. I also undertake to advise changes, if any, in the particulars of my account to facilitate updation of records for purposes of credit of Dividend amount through ECS.

Signature of the first named / sole member

- Note :
1. Please complete the form and send it to the Registrars & Share Transfer Agents at the above address, if you are holding shares in physical form.
 2. In case of shares held in dematerialized form, inform / update your information directly with the Depository Participant (DP) with whom you are maintaining Demat Account and not to the Company or its Registrars & Share Transfer Agents.



Info-Drive Software Ltd.

INFO-DRIVE SOFTWARE LIMITED

Regd. Office: No.3, Moores Road, 'Buhari Building', II Floor,
Chennai – 600 006, India

ATTENDANCE SLIP

Twenty First Annual General Meeting

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

Mr./Ms.: _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the **Twenty First Annual General Meeting** of the Company held at 'The Kasthuri Srinivasan Mini Hall', **The Music Academy**, New No. 168, T.T.K. Road, Chennai – 600 014, India, **at 10.30 a.m. on Wednesday, the September 23, 2009.**

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 Ltd.

INFO-DRIVE SOFTWARE LIMITED

Regd. Office: No.3, Moores Road, 'Buhari Building', II Floor,
Chennai – 600 006, India

PROXY FORM

Twenty First Annual General Meeting

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

I/We _____

Of _____ being a member(s) of Info-Drive Software Limited
hereby appoint Mr./Ms. _____ or failing him/her _____ of

_____ as my/our proxy to vote for
me/us and on my/our behalf at the **Twenty First Annual General Meeting** of the Company **on Wednesday the September 23, 2009** and at any adjournment thereof.

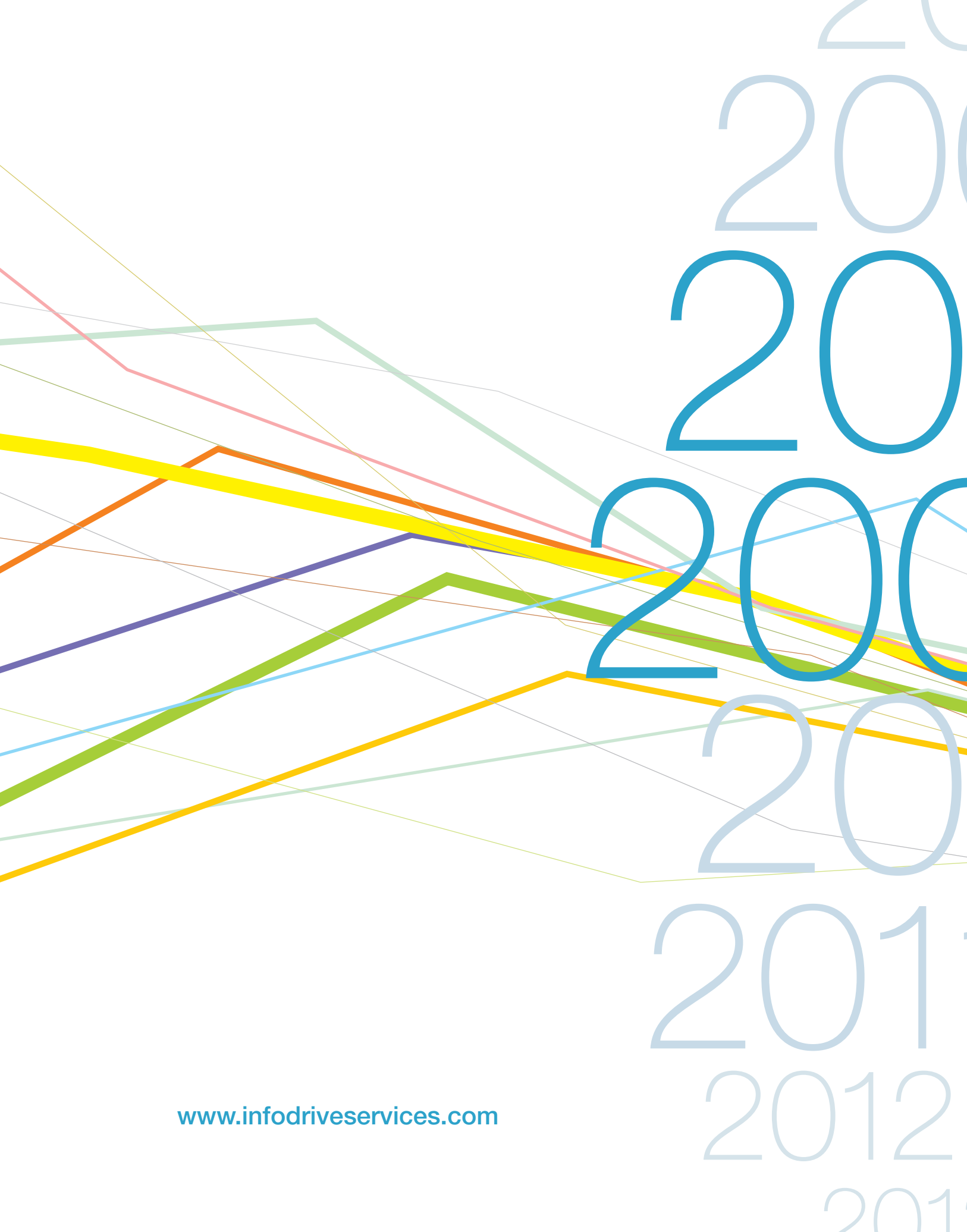
Signed this _____ day of _____ 2009.

Signature of the Member _____

Affix
1 Rupee
Revenue
Stamp

Signature
(Please sign across the 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 commencement of the meeting.
 - 3 * Applicable for investors holding shares in electronic form.



www.infodriveservices.com