



Identity

Redefined

23rd Annual Report, 2010-11

Infodrive*

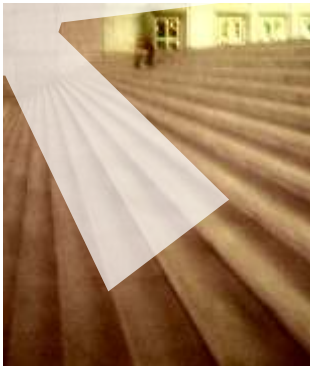


Infodrive*

With the new decade around the corner, Infodrive embraces the challenges ahead and has developed a new corporate identity to reflect its future readiness.

The clean lines of our new logo, with its sharp contrast of colors demonstrates a focus on concepts of simplicity and sophistication - both in a harmonious balance. The use of italics in the logo is done to give the logo a feel of momentum - evoking a sense of dynamic movement and evolution, our new logo represents a continued commitment to meeting the needs of our customers - offering high quality, reliable, innovative, technology-driven solutions and services.

As we look to the future and the exciting changes that lie ahead, Infodrive is proud to share and celebrate the new look with our customers, investors and partners.





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Moores Road, Chennai - 600006, India

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Fax: +91 - 44 - 2821 2609

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Hayes Road, Off Richmond Road
Bangalore - 560 025. India

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Ghatkopar (West)
Mumbai - 400 086. India

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United States of America

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23A-2A-1, Plaza Sentral-Phase 2
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Info-Drive Software Ltd.

BOARD OF DIRECTORS

K. Chandrasekaran
Director & CEO

N. T. Shivkumar
Director

K. Shivakumar
Joint Managing Director

V. N. Seshagiri Rao
Director

V. Gopal Rao
Director & Company Secretary

A. T. Krishnakumar
Independent Director

Singanallur Narayanan
Independent Director

S. Sriraman
Independent Director

Mohan Ranganathan
(Alternate Director to
Mr. Singanallur Narayanan)

Board & Committees

BOARD COMMITTEES

Audit Committee

K. Chandrasekaran
Director & CEO

V. N. Seshagiri Rao
Director

A. T. Krishnakumar
Independent Director

Singanallur Narayanan
Independent Director

S. Sriraman
Independent Director

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

Shareholders' Grievance Committee

V. Gopal Rao
Director & Company Secretary
(Compliance Officer)

V. N. Seshagiri Rao
Director

K. Shivakumar
Joint Managing Director

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

Remuneration Committee

K. Chandrasekaran
Director & CEO

A. T. Krishnakumar
Independent Director

Singanallur Narayanan
Independent Director

Investment Committee

K. Chandrasekaran
Director & CEO

K. Shivakumar
Joint Managing Director

V. N. Seshagiri Rao
Director

A. T. Krishnakumar
Independent Director

Share Allotment Sub-Committee

K. Shivakumar
Joint Managing Director

V.N. Seshagiri Rao
Director

V. Gopal Rao
Director & Company Secretary

Committee of Directors

K. Chandrasekaran
Director & CEO

K. Shivakumar
Joint Managing Director

V. N. Seshagiri Rao
Director

ADVISOR

S. Govindan
Ratish Panicker

"Individually, we are
one drop. Together,
we are an ocean."

- Ryunosuke Satoro

Subsidiaries

*Subsidiaries

BOARD OF DIRECTORS

Info-Drive Software Inc. (USA)

K. Chandrasekaran
Director

N.T. Shivkumar
Director

Info-Drive Systems Sdn Bhd. (Malaysia)

Arif Buhary Rahman
Director

Bala 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

Info-Drive Software Pte Ltd. (Singapore)

K. Chandrasekaran
Director

N. T. Shivkumar
Director

Poonamallee Ramaswamy Kumar
Director

Mohan Ranganathan
Director

Info-Drive Software Ltd. (Canada)

N. T. Shivkumar
Director

K. Chandrasekaran
Director

Dorairajan Sampath
Director

InfoDrive Mauritius Limited (Mauritius)

Milton Services Limited
Director

K.Chandrasekaran
Director

Management Team

ANL Madhavann
Chief Financial Officer

R. Ashok
Vice President - Business Analytics &
Enterprise Risk Management

G. Manoharan
Executive Vice President - Operations

Prasanna Kumar
Chief Technology Officer

Ahmed Hussain
Vice President - MENA

Abirami
Head - Pension BPO Practice

*As on 27 July, 2011



Corporate Information

CORPORATE INFORMATION

Board of Directors	Mr. K. Chandrasekaran	Director & Chief Executive Officer Managing Director & Chief Executive Officer (Till 20th July, 2011)
	Mr. N. T. Shivkumar	Director & COO
	Mr. V. N. Seshagiri Rao	Director
	Mr. V. Gopal Rao	Director & Company Secretary
	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 (Alternate to Mr. Singanallur Narayanan)	Independent Director
Company Secretary	Mr. V. Gopal Rao	B.Sc., B.L., F.C.S.
Chief Financial Officer	Mr. ANL Madhavann	B.Sc., FCA, FCS, PGDBA, BGL
Auditors	M/s. K. S. Reddy Associates Chartered Accountant	New No. 36/191, First Floor North Usman Road, T. Nagar Chennai - 600 017, India Tel.: +91 - 44 - 4260 5656 Mobile: +91 - 94444 04761
Secretarial Auditors	Mr. T. Balasubramaniam Practising Company Secretary	BM & Associates New No.13 (Old No.7) South Boag Road, T. Nagar Chennai - 600017. India Tel.: +91 - 44 - 42081581
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
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

The background of the page is a photograph of a large crowd of people, likely at a public event or protest. The image is heavily stylized with large, semi-transparent geometric shapes in shades of purple, pink, and red. A prominent white triangular shape points towards the center of the page, containing the word "Notice".

Notice



NOTICE is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Company will be held at the "Mini Hall", Narada Gana Sabha, TTK Road, Alwarpet, Chennai - 600018, India, at 10:15 a.m. on Friday, the September 30, 2011 to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2011 and the Balance Sheet as on that date together with the Directors' Report and the Auditor's Report thereon.
2. To appoint a Director in the place of Mr. A. T. Krishnakumar, Director, who retires by rotation. Mr. A. T. Krishnakumar, being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Mr. S. Sriraman, Director, who retires by rotation. Mr. S. Sriraman, being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr. V. N. Seshagiri Rao, Director, who retires by rotation. Mr. V. N. Seshagiri Rao, 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 24th Annual General Meeting and to fix their remuneration. M/s. K. S. Reddy Associates, Chartered Accountants (FRN. 009013S), 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(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the company be and is hereby authorized to appoint Branch Auditors of any branch office of the company, whether existing or which may be opened/acquired hereafter, in India or abroad, in consultation with the company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of the said Section 228 and to fix their remuneration.

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

"RESOLVED THAT Mr. K. Shivakumar, whose appointment as Joint Managing Director of the Company was renewed by the Board at its meeting on August 12, 2011, for a further period of one year with effect from September 28, 2011 to September 27, 2012, on a remuneration of Rs. 50,000/- (Rupees fifty thousand only) per month on a "Cost to Company" basis and under Section 269 read with Schedule - XIII be and is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors do take such action that may be necessary, to take note of the reappointment of Mr. K. Shivakumar as Joint Managing Director, for a further period of one year with effect from September 28, 2011 to September 27, 2012."

8. To consider and if thought fit to pass the following Resolution as a Special Resolution with or without modification:

"RESOLVED THAT pursuant to the provisions of section 31 and other applicable provisions, if any, of the Companies Act 1956, the Article 29A be inserted in the Articles of Association of the Company under the sub heading "Proceeding of Director" which reads as under:

29A "A Director can participate in the Board/Committee Meeting through Video Conferencing or such other mode as may be recommended - by the Government of India from time to time and they shall be counted for the purposes of quorum for any transaction of the business of the Board. It is however mandatory for a Director to physically attend at least one meeting in one financial year."

"RESOLVED FURTHER THAT the Board of directors of the Company be and are hereby authorized to make necessary alterations/modifications in the Articles of Association to give effect to the above resolution and to execute, sign and file the required documents/returns/forms including Powers of Attorney with Registrar of Companies, to make necessary corrections/modifications/alterations suggested by the concerned authorities and to collect the certificate confirming the above alteration."

Chennai
12.08.11

By Order of the Board
For **Info-Drive Software Limited**

Sd/-
V. GOPAL RAO
Director & 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 14, 2011 to September 30, 2011 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. Non-resident Indian shareholders are requested to inform about the following to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
6. The Statutory Registers under the Companies Act, 1956 (Register under Section 307 and Section 301 of the Companies Act, 1956) is available for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm except on holidays and will be made available at the venue of the meeting.
7. The financials of the subsidiary companies are available for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm except on holidays and will be made available at the venue of the meeting.
8. Corporate members are requested to send a duly certified copy of the board resolution/power of attorney authorizing their representatives to attend and vote at the annual general meeting.
9. Shareholders desiring any information with regard to accounts are requested to write to the company at least 10 days in advance so as to enable the company to keep the information ready at the meeting.
10. No gifts or complimentary items will be distributed.
11. The relevant explanatory statements pursuant to section 173 (2) of the companies Act, 1956 in respect of the business under special business under item no: 6, 7 & 8 are given in ANNEXURE B.

Chennai
12.08.11

By Order of the Board
For **Info-Drive Software Limited**

Sd/-
V. GOPAL RAO
Director & Company Secretary

ANNEXURE A

DETAILS OF DIRECTORS AS ON MARCH 31, 2011 SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING TO BE HELD ON SEPTEMBER 30, 2011 (PURSUANT TO CLAUSE 49(IV)(E) AND 49(IV)(G)(i) OF THE LISTING AGREEMENT).

Mr. A. T. Krishnakumar

Mr. A. T. Krishnakumar aged 53 years was reappointed as a Non- Executive Independent 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.

Directorships held in other public companies (excluding Private Companies and Foreign Companies) - NIL.

He is the Chairman of Audit Committee of Info-Drive Software Limited.

He is not holding any shares in the Company.

Relationships between directors inter-se- NIL.

Mr. S. Sriraman

Mr. S. Sriraman aged 51 years was reappointed as a Non-Executive Independent Director at the Annual General Meeting held on September 23, 2008. 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 27 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 Silk Route 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.

Directorships held in other public companies (excluding Private Companies and Foreign Companies) - NIL.

He is a member of Audit Committee of Info-Drive Software Limited.

He is not holding any shares in the Company.

Relationships between directors inter-se- NIL.

Mr. V. N. Seshagiri Rao

Mr. V. N. Seshagiri Rao aged 59 years was reappointed as a Non-Executive Promoter Director at the Annual General Meeting held on September 23, 2008. Mr. V. N. Seshagiri Rao has an experience of over 36 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.

Directorships held in other public companies (excluding Private Companies and Foreign Companies) – He is a Director of Gulf Outsourcing Services Limited.

He is a member of Audit Committee of Info-Drive Software Limited.

He is holding 1,10,876 shares in the Company.

Relationships between directors inter-se- NIL.

Mr. K. Shivakumar

Mr. K. Shivakumar aged 49 years was reappointed as a Joint Managing Director at the Annual General Meeting held on September 30, 2010. He is the Promoter Director of the Company. He is an MBA (U.S.A. specialization in Information Systems). He has over 24 years of working experience.

Directorships held in other public companies (excluding Private Companies and Foreign Companies) – NIL.

He is a member of Investor – Grievance Committee of Info-Drive Software Limited.

He is holding 3,94,090 shares in the Company.

By Order of the Board
For Info-Drive Software Limited

Sd/-

V. GOPAL RAO

Director & Company Secretary

Chennai
12.08.11

ANNEXURE B**EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No: 6**

The company has branch in India and abroad and may also open new branches in India and abroad in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The shareholders are requested to authorise the Board of Directors of the company to appoint branch auditors in consultation with the company's Auditors and to fix their remuneration.

No Director is in any way concerned or interested in the resolution.
Your directors recommend the said resolution for approval of the Members.

Item No: 7

Mr. K. Shivakumar is the Promoter Director of the company. He had been appointed as Joint Managing Director till September 27, 2010. The Board at their meeting held on August 12, 2011 has reappointed him as Joint Managing Director for a further period of one year, effective from September 28, 2011 to September 27, 2012, with a remuneration of Rs. 50,000/- per month on a cost to company basis as recommended by Remuneration Committee meeting held on August 12, 2011. Since the appointment is under Sec 269 read with Schedule-XIII, of the Companies Act 1956, the resolution pertaining to his appointment and fixation of remuneration is placed before the General body of shareholders and is being recommended to be passed at this General Meeting.

Mr. K. Shivakumar is an MBA (USA) with specialization in Information Systems and he has over 23 years of experience in this field.

Your directors recommend the approval of the proposed resolution by the Members.
None of the Directors, other than Mr. K. Shivakumar, is interested in the above resolution.
This explanation together with the accompanying notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

Item No. 8

The participation of Directors in the Meetings of Board/Committee of Directors under the Companies Act, 1956 through Video Conferencing has been inserted by the Ministry of Corporate Affairs vide its General Circular No: 28/2011 dated May 20, 2011. Keeping this in view the Board of Directors thought it fit to insert/alter the necessary clauses in the Articles of Association enabling the Directors to participate in the Meeting of Board and Committee of Directors of the Company.

Further the Director(s) who are present through Video Conferencing shall also form part of the necessary quorum for transaction of any business of the Board.

Since any alteration or amendment in the Articles of Association requires the approval of the shareholders in General Meeting, the Board recommends the above resolution to the Members for their approval as set out in the Item No. 8 of the Notice.

The Existing Articles of Association as on date along with the proposed amendments are available for inspection at the registered office of the company, during business hours on all working days till the date of General Meeting.

None of the Directors is concerned or interested in the resolution.

By Order of the Board

Registered Office

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

Chennai
12.08.11

Sd/-
V. Gopal Rao
Director & Company Secretary

GREEN INITIATIVE

In order to protect the environment and as a **"Go Green"** initiative pursuant to the initiative initiated by the Ministry of Corporate Affairs and the Company's efforts in implementing the same for the benefit of the shareholders.

In this connection, the Company has sent communication to the shareholders seeking their consent for sending the Annual Report and other communication from the Company by using electronic mode.

We are thankful to such of the shareholders who have accepted receiving the Annual Report through e-mail and would request other shareholders to give their consent at the earliest to enable the Company to implement and make the initiative a success.

In this connection the shareholders holding shares in demat form may please inform their e-mail ids to their concerned Depository Participants (DPs) with intimation to the Company/Registrar and shareholders holding shares in physical form may provide their e-mail id to the Company's Registrars/Company at the following e-mail id/address or hand it over at the AGM Venue, quoting their DP ID and Client ID and folio reference as per the format enclosed (Annexure "C"):

infodrive@cameoindia.com | investorcell@infodriveservices.com

M/s Cameo Corporate Services Limited

"Subramanian Building"

No. 1, Club House Road

Chennai - 600 002, India

ANNEXURE “C”

Format for filing the particulars with the Registrar/Company:

Name of the Shareholder(s) : _____

DP ID : _____

Client ID : _____

Email – ID : _____

Communication Address : _____



Directors' Report



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 23rd Annual Report on the business & operations of Info-Drive Software Limited (hereafter referred to as '**Info-Drive**') together with Audited Accounts for the financial year ended March 31, 2011.

FINANCIAL RESULTS

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

Rs. Lacs

Consolidated	2010-2011	2009-2010
Turnover/Income from operations	12819.54	21336.79
Other Income	128.81	54.46
Interest and finance charges	454.73	361.43
Profit after Tax (after Minority Interest adjustment)	578.81	914.11
Proposed Dividend (including Dividend Tax)	-	171.05
Balance Profit carried to Balance Sheet	578.81	743.06

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

Rs. Lacs

Stand Alone	2010-2011	2009-2010
Turnover/Income from operations	2062.92	1638.45
Other Income	71.29	20.31
Interest and finance charges	113.03	55.14
Profit after Tax	195.86	661.64
Proposed Dividend (including Dividend Tax)	-	171.05
Balance Profit/(Loss) brought forward from the previous year	374.85	(115.74)
Balance Profit carried to Balance Sheet	570.71	374.85

BUSINESS OVERVIEW

At the outset while there is a decline in revenues, we would like to present the business model transformation initiated by your company for the year under review.

Your company was predominantly focusing on traditional area of business like IT Services, Hardware Sales & Maintenance and Systems Integration. The IT Hardware industry is characterized by sales that tend to rise and fall with economic cycles. In line with our stated strategy to shift emphasis towards the services, we took definitive steps to transition out of the hardware-driven sales platform into a solutions-driven product & services revenue model, thereby reducing our top line but significantly improving the quality of revenues and profitability thereof. The overarching theme of our growth strategy has been built around specialized high margin services and hence we executed a strategic shift from a hardware-only revenue stream to hardware-enabled services offerings to drive our business in those select segments.

The highly commoditized, low margin hardware oriented business in a static economic landscape across 2009 & 2010 tended to drag our services mix thus impacting our ability to achieve our overall profitability goals. This combined with the long gestation period and excessive cash burn associated with some of the IP development initiatives necessitated a course correction on re-aligning our portfolio of offerings which resulted in the divestment of our 51% stake in Precision Group. Post this divestment, though our top line declined we have been able to put together a strategic framework to scale the revenues back through an integrated solutions approach powered by high-end enterprise sales model.

The enterprise sales model entails turnkey implementation services around storage, networking, security and applications support – all resulting in the respective product sales, thus validating a 'solutions' led positioning of the company rather than a provider of hardware and networking equipments of HP/Cisco as was the case before divestment.

The decision to divest our stake in Precision Group and invest into organic business lines reflects our strategic roadmap drawn to achieve the 'services-only' DNA of Info-Drive for the future.

DIVIDEND

The company has rewarded its shareholders last three years consecutively by paying dividend. However this year we intend to retain any future earnings to fund ongoing operations and finance the growth and development of our business. Any future decision to declare or pay dividends will be dependent upon our financial condition, results of operations, capital requirements, acquisitions and such other factors as the Board of Directors deems relevant.

The directors have recommended that no dividend be paid for the year under review.

GEOGRAPHICAL REACH

Your Company has customer base across the globe. The Company has physical presence through its offices in 6 countries. In-line with the current economic scenario, your Company has consolidated its operations to support its global marketing, sales and delivery operations to improve operational efficiency. Info-Drive has consolidated its operations across its geography and every subsidiary enables us to better support the efforts of marketing team and to provide onsite delivery support.

BRANCH

Info-Drive Software Limited (Singapore Branch) was incorporated in November 2007, to expand business in Hardware Sales & support services business in Singapore. Currently we are intending on building our IT Consulting Services offerings which will enhance our gross margin profile with no inventory risk and a means to diversify our revenue stream.

SUBSIDIARIES

The Company has 6 subsidiaries as mentioned below:

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
Info-Drive Software Pte Limited	Singapore
Info-Drive Software Limited	Canada
InfoDrive Mauritius Limited	Mauritius

PARTICULARS REQUIRED AS PER SECTION 212 OF THE COMPANIES ACT, 1956**ACCOUNTS OF THE SUBSIDIARIES**

As per Section 212 of the Companies Act, 1956, your Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of the subsidiaries to its Balance Sheet. Your Directors believe that the audited consolidated accounts present a full and fair picture of the state of affairs and financial conditions of the Company and its subsidiaries, as is done globally.

Your Company has obtained vide letter No. 47/47/2011-CL-III dated January 27, 2011 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.

As per circular No. 5/12/2007-CL-III dated February 8, 2011 issued by Government of India, a general exemption under Section 212 (8) of the Companies Act, 1956 has been granted. As per this Circular, a company need not make an application to the Central Government for seeking exemption from the requirement of attaching the Directors' Report, Balance Sheet and Profit and Loss Account of the subsidiaries to its Balance Sheet, provided the conditions mentioned as follows in the Circular are fulfilled.

- The Board of Directors of the Company has by resolution given consent for not attaching the balance sheet of the subsidiary concerned;
- The company shall present in the annual report, the consolidated financial statements of holding company and all subsidiaries duly audited by its statutory auditors;
- The consolidated financial statement shall be prepared in strict compliance with applicable Accounting Standards and, where applicable, Listing Agreement as prescribed by the Security and Exchange Board of India;
- The company shall disclose in the consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries: (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend;
- The holding company shall undertake in its annual report that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned and a note to the above effect will be included in the annual report of the holding company. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand;
- The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;
- The company shall give Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary companies along with exchange rate as on closing day of the financial year;

Your Company has fulfilled these conditions and is eligible for this exemption. Accordingly, the Annual Report of your Company does not contain separate financial statements of these subsidiaries, but contains audited consolidated financial statements of the Company and its subsidiaries.

However, a statement of the Company's interest in the subsidiaries and a summary of the financials of the subsidiaries are given along with the consolidated accounts. The annual accounts of the subsidiaries, along with the related information, will be made available to the Members seeking such information at any point of time. The annual accounts of the subsidiaries are also available for inspection during business hours except Saturdays and holidays at the Registered Office of the Company and its respective subsidiaries.

Material Non-Listed Subsidiary Company

As per Clause 49 of the Listing Agreement, your Company has no material non-listed subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of your Company and its subsidiaries in the immediately preceding accounting year.

DIVESTMENT

To enable the Company achieve its strategic objective in line with the changed market scenario, your company has divested its stake from certain subsidiaries. Hence, during the year, the Company has sold its entire Equity Shares held in Precision Infomatic (Madras) Private Limited.

As a result of this divestment, Precision Infomatic (Madras) Private Limited ceased to be a subsidiary of your Company and Precision Techconet Private Limited, Legend Systems Private Limited, Precision Techserve Private Limited and Precision Galaxy Private Limited have also ceased to be the fellow subsidiaries of your Company as they were subsidiaries of Precision Infomatic (Madras) Private Limited.

OTHER INFORMATION

The Company (under a Non-Disclosure Agreement) has initiated discussions for acquiring a majority controlling stake in a agility driven IT firm which provides IT services, BPM and ES and Business Intelligence solutions. The company has strategic sales presence in US and global delivery centres in India.

In order to focus on overseas business opportunities for the company, Mr. K. Chandrasekaran, has relocated to overseas and consequently demitted his office as Managing Director of the Company with effect from July 21, 2011. However he continues as Director & Chief Executive Officer of the Company. The Board places on record its sincere appreciation and gratitude for the services rendered by Mr. K. Chandrasekaran during his tenure as Managing Director of the Company. The profile of Mr. K. Chandrasekaran has been provided in the Particulars of the Directors. He holds 15,38,098 shares in the company as on June 30, 2011.

FIXED DEPOSIT

Your Company has not accepted any deposits from the public or its employees during the year under review. The particulars of loans / advances and investment in its own shares by listed Companies, their subsidiaries, associate, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement are furnished separately.

DIRECTORS

1. Mr. V. N. Seshagiri Rao was reappointed as a Non-Executive Promoter Director at the Annual General Meeting held on September 23, 2008. Mr. V. N. Seshagiri Rao has an experience of over 36 years in the field of Management. He is a Chartered Accountant by qualification and has held several senior management positions involving Finance and Business management. He is an expert in the field of Finance, Company Law and related areas. He has held advisory positions for many senior businessmen and in large business houses. He has worked alongside reputed consultants and served many Companies' Boards. His knowledge and guidance will be an asset to the Company in its growth and expansion plans. He is a member of Audit Committee. He is holding 1,10,876 shares in the Company.
2. Mr. A. T. Krishnakumar has been reappointed as a 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.
3. Mr. Singanallur Narayanan has been reappointed as a Director at the Annual General Meeting held on September 23, 2009. He is a Bachelor of Technology from IIT, Chennai, India, MBA from Columbia University School of Business and MS in Computer Science from University of Texas. He is a partner of M/s. Kuberan Capital LLC, New York, a hedge fund with macro long / short equity strategy. He has around 18 years of experience in Equity Research and Derivative Strategies. He is not holding any shares in the Company.
4. Mr. K. Chandrasekaran is a promoter Director of the company who had been appointed as Managing Director & Chief Executive Officer w.e.f. September 28, 2007 for a period of 3 years and further he has also been re-appointed as Managing Director &

CEO of the Company for a further period of 5 years i.e. from September 28, 2010 to September 27, 2015, subsequently he had demitted his office as a Managing Director of the Company on July 21, 2011 and continues as Director & Chief Executive Officer of the Company. He is a qualified Chartered and Cost Accountant and has over twenty three years of experience in the Corporate Sector both in India & abroad. He has handled large Merger & Acquisition deals of IT Companies and also companies in other domains. He is spear-heading the Corporate think tank, governance, vision and business strategy. He is holding 15,38,098 shares in the Company as on June 30, 2011.

5. Mr. N. T. Shivkumar is a promoter Director of the Company, He is an alumnus of BITS Pilani (India) and has over two decades of experience in the IT/IT Outsourcing & BPO sector. He 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 6,00,000 shares in the Company as on June 30, 2011.
6. Mr. K. Shivakumar, is a Promoter Director of the Company. He is an MBA (U.S.A. specialization in Information Systems). He has over 24 years of working experience. The Board at their meeting held on August 12, 2011, has reappointed him as Joint Managing Director for a further period of one year with effect from September 28, 2011 to September 27, 2012, with a remuneration of Rs. 50, 000/- per month on a cost to company basis. Since the appointment is under Sec 269 read with Part III of Schedule - XIII, of the Companies Act 1956, the Resolutions pertaining to his appointment and fixation of remuneration is being placed before the general body of shareholders and is being recommended to be passed at this General Meeting. The shareholders are requested to pass the resolution in this general meeting. He is holding 3,94,090 shares in the Company as on June 30, 2011.
7. Mr. S. Sriraman was appointed as a Director at the Annual General Meeting held on September 23, 2008. 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 27 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 Silk Route 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.
8. Mr. V. Gopal Rao, Company Secretary since December 2006 was appointed as a 'Director' at the Annual General Meeting held on September 30, 2010. He is a fellow member of The Institute of Company Secretaries of India and a Law Graduate from Madras University. He has rich and varied experience of 46 years in the Blue Chip Corporate World of Indian business and has served on the board of Essar Group and Tamil Nadu Mercantile Bank. He was also associated with Kothari Group for a brief period. He has tremendous hands-on experience in Merger & Acquisition and Corporate Governance Compliance and is a reputed authority in this field.
9. The Board has appointed Mr. Mohan Ranganathan as an alternate to Mr. Singanallur Narayanan with effect from February 13, 2007. He is being reappointed from time to time as required by the Companies Act 1956. He is a Chartered Accountant by profession. With 25 years of experience in the field of management, his immense ability to understand the business environment quickly coupled with financial & accounting background is his core competence. He has vast experience of handling Audits, Company Law Matters, Corporate and Financial Restructuring, Valuations, Statutory Audit and Tax Audit of Corporate leaders especially in IT industry. He is not holding any shares in the Company.

RETIREMENT AND REAPPOINTMENT OF DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. A. T. Krishnakumar, Mr. S. Sriraman and Mr. V. N. Seshagiri Rao, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend re-appointment of Mr. A. T. Krishnakumar, Mr. S. Sriraman and Mr. V. N. Seshagiri Rao as Directors on the Board of the Company.

Mr. K. Shivakumar, Joint Managing Director of the company whose term of office expire on September 27, 2010, he has been re-appointed as Joint Managing Director of the Company for a further a period of one year effective from September 28, 2011 to September 27, 2012 at the meeting of Board of Directors held on August 12, 2011. Since the appointment is under Sec 269 read with

Schedule-XIII, of the Companies Act 1956, the resolution pertaining to his appointment and fixation of remuneration is placed before the General body of shareholders. Your Directors recommend re-appointment of Mr. K. Shivakumar as Joint Managing Director on the Board of the Company.

The information on the particulars of Director eligible for appointment/re-appointment in terms of Clause 49 of the listing agreement has been provided in annexure to the notice convening the annual general meeting.

None of the Company's directors are disqualified from being appointed as a director as specified in Section 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

SHARE CAPITAL

Your Directors wish to inform that during the year your Company had issued 15,851,330 additional Equity Shares of Rs.10/- each with premium of Rs.15/- each to Foreign Institutional Investors (FIIs) through Qualified Institutional Placement issue (QIP) basis.

In view of the above, the issued and paid- up share capital of your Company stands increased from Rs. 29,23,88,900/- as on 31 March, 2009 to Rs. 45,09,02,200/- as on date.

DETAILS ON QIP ISSUE

During the financial year 2010-11, the company has raised Rs. 396.28 million through Qualified Institutional Placement (QIP). This QIP Issue has been made to meet the financing needs for acquisitions , working capital for overseas subsidiaries and capital expenditure. Pursuant to authorization given by the members by passing resolutions at their Extra-Ordinary General Body Meetings held on February 01, 2010 and August 10, 2010 respectively, the QIP committee of Directors, issued and allotted of 15,851,330 Equity shares @ 25/- per share to Qualified Institutional Buyers on November 11, 2010.

The net proceeds are received in November 2010 and will be used to meet capital expenditure, additional Working capital requirement and to finance the new business initiatives and strategic alliances.

Above additional Equity shares are listed on Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

Capital Structure:

The equity capital structure of the company Pre and post QIP are as under:

Share Capital	Authorised Capital	Issued, subscribed and Paid-up
Pre QIP	70,00,000 Equity Shares of Rs.10/- each	2,92,38,890 Equity Shares of Rs.10/- each
Post QIP	70,00,000 Equity Shares of Rs.10/- each	4,50,90,220 Equity Shares of Rs.10/- each

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:

1. in the preparation of annual accounts for the year 2010-11, the applicable Accounting Standards have been followed and there are no material departures;
2. 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;
3. 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;
4. they have prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s. K. S. Reddy Associates, Chartered Accountant (**FRN. 009013S**), Chennai, India who is the Auditor of the Company, hold Office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment and they have expressed their willingness to be appointed as Statutory Auditor of the Company, at the said Annual General Meeting.

The Company has received a Certificate from the Auditors that they are qualified under Section 224(1B) of the Companies Act, 1956, to act as the Auditors of the Company, along with the confirmation that they have a valid certificate issued by the "Peer Review Board" of the Institute of Chartered Accountant of India (ICAI).

The Audit Committee has recommended their re-appointment as Statutory Auditors of the Company. The necessary resolution is being placed before the shareholders for approval.

The Board has duly reviewed the Statutory Auditors Report on the Accounts. The notes forming part of the accounts referred to in the Auditors' Report of the Company are self explanatory and do not call for any further explanation.

AUDIT COMMITTEE

The Company has constituted an Audit Committee as required under the provisions of Section 292A 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

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance forms a part of the Annual Report.

CONSERVATION OF ENERGY OR TECHNOLOGY ABSORPTION

In view of the nature of activities that are being carried on by your Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, respectively are not applicable to your Company. The Company's current operations do not require high energy consumption and the company continues its drive in taking up various measures to optimise energy usage, for example, a) Consolidation of operations through reduction in the number of Delivery centres. b) reduced number of network devices for multiple clients. c) replacement of flat monitors in the place of CRT monitors. d) Switching off the air conditioners on a budgeted hours basis.

Your Company being a software solution provider requires minimal energy consumption and every endeavor has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs. in Lacs

Particulars	2011	2010
Foreign Exchange earned	635.78	735.34
Foreign Exchange used	395.11	303.64

PARTICULARS OF EMPLOYEES

During the year under review, there is no employee employed throughout the financial year and part of the year who was in receipt of remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956, read with companies (Particulars of Employee) Rules, 1975 and amendments thereto.

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

BY THE MINISTRY OF CORPORATE AFFAIRS The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on April 21, 2011 and April 29, 2011 stating that the service of officials documents by a company to its members can be made through electronic mode.

Considering the move taken by the MCA as a welcome step for the society at large, conserve resources and also reduce its carbon footprint and create sustainable alternatives wherever feasible.

The Company has henceforth proposed to send various notices/documents like Notices of General Meetings, Audited Financial Statements, Auditor's Report, Directors' Report, Financial Results etc. in electronic form to the e-mail IDs made available to the Company by the depositories and/or Members.

All the official documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode, will be made available on the Company's website i.e. www.infodriveservices.com. We request our stakeholders to update the email addresses with the depository participants in case shares are held in electronic mode to ensure that the Annual Reports and other documents reach you at your preferred email addresses and where the shares are held in physical form, please provide your email address to our Registrar and Share Transfer Agent i.e. M/s. Cameo Corporate Services Limited or investorcell@infodriveservices.com, Compliance department of Info-Drive Software Limited.

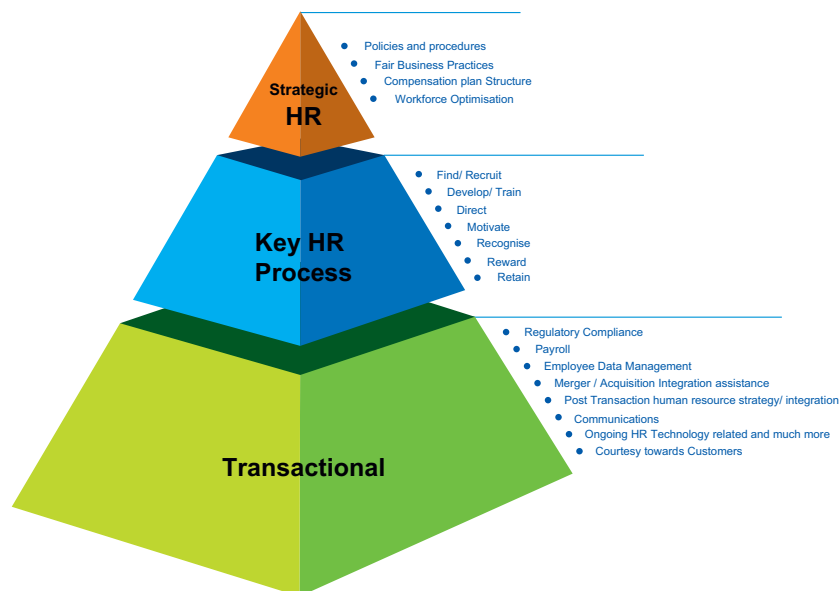
Necessary steps are being initiated for conserving power across all delivery centers. We propose to have Desktop power management configuration to almost 50% of the desktops used in the delivery centers. Video conferencing (VC) usage has been proposed this year, which in turn will reduce the travel cost and improved energy savings.

The Company proposes "Go Green" initiatives within its office buildings to reduce its electrical power, water and paper consumption. Towards contributing for Green IT for a safe environment, the e-waste generated in-house are being discarded through vendors who adopt "Safe disposal practices", recycle and re-manufacture the used e-waste like printers, toners and cartridges. These initiatives will be taken forward at a sustained pace.

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 220 as on June 30, 2011.
- 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 believes that a motivated, qualified and skilled employee base is the key to our competitive advantage. The Company through its participative work environment, skill development activities and values of commitment, integrity, passion, seamlessness and speed ensures a healthy relationship with its employees at all levels. Our consistent growth firmly establishes our remarkable team, their potential and capabilities to deliver.



- Our personnel policies are aimed towards recruiting talented employees, facilitating their integration into our organization and encouraging the development of their skills and expertise. We believe that the skills and diversity of our employees gives us the flexibility to adapt to the challenging needs of our diverse businesses.
- *Employee Connect & Relations:* Staying connected with employees was utmost requirement during the year as the panic scenarios loomed around due to global crisis. Based on the employee satisfaction index levels, attrition level and business performance; we are quite proud to express our success in staying connected. This has been accomplished by means of thorough and seamless communication amongst senior business management team, ear marking primary spokes person, time-time communications and quarterly business reports on market scenario, business growth opportunities, initiatives to optimize utilization, enablers to convert opportunities, collaborative team work and involvement of employees in each aspect.
- Further, in a knowledge based industry, your Company understands that employees are the main assets of a Company and it is necessary that they feel challenged to use their intellectual skills to the best of their abilities and add value to themselves even as they add value to the Company.
- It has restructured internally its organization levels with a view to maintain individual and organizational productivity at the optimum with minimum possible workforce.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels, whose continued commitment and dedication helped the Company in its operations in these trying times. Your Directors would also like to take this opportunity to express their gratitude for the co-operation and support from its Customers, Vendors, Bankers, Financial Institutions, Registrar and Share Transfer Agent, Technology Partners, Business Associates, Advisors and other organizations like Bombay Stock Exchange Limited, Madras Stock Exchange Limited, Software Technology Park of India, Ministry of Corporate Affairs, the Reserve Bank of India, NSDL & CDSL and other statutory bodies of the Government of India. We look forward to their continued support in the future also.

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

Chennai
12.08.11

Sd/-
K. Chandrasekaran
Director & CEO

Sd/-
K. Shivakumar
Jt. Managing Director



Corporate Governance



The detailed report on Corporate Governance, for the year under review as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

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 & 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 Info-Drive, we strive towards excellence through adoption of best governance and disclosure practices.

BOARD OF DIRECTORS

- (i) As on March 31, 2011, the Company has eight Directors with a Non-Executive Chairman. Of the eight Directors, five (i.e. 62.5%) are Non-Executive directors and three (i.e. 37.5%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- (ii) None of the Directors on the Board, are Members of more than ten committees or Chairman of more than five committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/ Investor Grievance Committees.

Composition, Attendance at the Board Meetings and last Annual General Meeting, outside Directorships and other Board Committees as on March 31, 2011, as applicable is tabulated hereunder:

Director	No. of Board Meetings Totally Held	No. of Board Meetings Attended	Attendance at previous AGM held on Sept 30, 2010	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. K. Chandrasekaran	7	3	Present	Nil	Nil	Executive
Mr. V. N. Seshagiri Rao	7	7	Present	1	Nil	Non-Executive
Mr. K. Shivakumar	7	7	Present	Nil	Nil	Executive
Mr. N. T. Shivkumar	7	0	Present	Nil	Nil	Executive
Mr. A. T. Krishnakumar	7	7	Present	Nil	Nil	Non-Executive Independent
Mr. Singanallur Narayanan	7	0	Present	Nil	Nil	Non-Executive Independent
Mr. S. Sriraman	7	5	Present	Nil	Nil	Non-Executive Independent
Mr. V. Gopal Rao	7	7	Present	1		Executive
Mr. Mohan Ranganathan (Alternate Director to Mr. Singanallur Narayanan)	7	6	-	Nil	Nil	Non-Executive Independent

Board Meetings held during the year 2010–11:

1. May 14, 2010	5. October 04, 2010
2. July 06, 2010	6. November 15, 2010
3. August 13, 2010	7. February 14, 2011
4. August 27, 2010	

The necessary quorum was present for all the meetings.

BOARD AND ITS COMMITTEES

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

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 committee strength of five members comprise of three independent directors i.e., A. T. Krishnakumar, (Chairman), S. R. Narayanan & S. Sriraman. The Statutory Auditor attended all the meetings.

The constituted committee presently consists of:

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

The terms of reference of the Committee are as provided in Clause 49 of the Equity Listing Agreements.

The Audit Committee, meets at least once in every three months, and reviews the performance of the company. The roles and responsibilities of the Audit Committee includes:

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

The Chairman of the audit Committee is present at the Annual General Meeting. The detailed charter of the Committee is posted at our website.

All the members of our Audit Committee are independent non executive directors except Mr. K. Chandrasekaran and all the members are financially literate. The Chairman of our audit Committee has the accounting or related financial management expertise.

Statutory Auditors always have independent meetings with the Audit Committee and also participate in the Audit Committee meetings.

Our Chief Financial Officer and Executive Directors and other Corporate Officers make periodic presentations to the Audit Committee on various issues.

The Audit Committee is comprised of the following directors as given herein below:

Name	Category	Number of Committee Meetings	
		Held	Attended
Mr. K. Chandrasekaran	Executive	7	3
Mr. V. N. Seshagiri Rao	Non-Executive	7	7
Mr. A. T. Krishnakumar	Non-Executive Independent	7	7
Mr. Singanallur Narayanan	Non-Executive Independent	7	0
Mr. Mohan Ranganathan (Alternate Director to Mr. Singanallur Narayanan)	Non-Executive Independent	7	6
Mr. S. Sriraman	Non-Executive Independent	7	4

Audit Committee Meetings held during the year 2010–11:

1. May 14, 2010	5. October 04, 2010
2. July 06, 2010	6. November 15, 2010
3. August 13, 2010	7. February 14, 2011
4. August 27, 2010	

The necessary quorum was present for all the meetings.

Shareholders' Grievance Committee

The Committee consists of the following members as on March 31, 2011:

- V. N. Seshagiri Rao – Chairman
- K. Shivakumar – Member
- V. Gopal Rao – Member
- R. Mohan – Member

The Shareholders Grievance Committee oversees all relevant matters pertaining to shareholders/investor related issues and generally reviews the number of investor queries received, redressed, and pending redressal, as also the time taken to redress these queries. The review is based on inputs provided by the Registrar & Transfer (R & T) Agents of the Company. The meeting of this committee is held when required. Other Investor related queries/complaints addressed to the company, the R&T Agents, BSE & SEBI, etc, have been suitably redressed well in time, and there are no cases pending redressal.

The Chairman of the Committee is a non-executive director.

There was no meeting of Shareholders' Grievance Committee held during the financial year 2010-2011.

Mr. V. Gopal Rao, Company Secretary is our Compliance Officer for the Listing Agreement.

Unclaimed Dividends

Under the Companies Act, 1956, Dividends that are unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund administered by the Central Government.

We give below a table providing the dated of declaration of Dividend since 2007-08 as on March 31, 2011 and the corresponding dated when unclaimed dividend are due to be transferred to the central government.

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Unclaimed Amount (Rs.)	Due date for transfer to Investor Education and Protection Fund
2007-2008 (Final Dividend)	September 23, 2008	September 22, 2015	2,77,734	October 21, 2015
2008-2009 (Final Dividend)	September 23, 2009	September 22, 2016	2,36,194	October 21, 2016
2009-2010 (Final Dividend)	September 30, 2010	September 29, 2017	2,86,470	October 28, 2017

Separate letters will be sent to the shareholders who are yet to encash the Dividend indicating that Dividend yet to be encashed by the concerned shareholder and the amount remaining unpaid will be transferred as per the above dates. Members are requested to utilize the opportunity and get in touch with Company's Registrars and Share Transfer Agent M/s. Cameo Corporate Services Limited, Chennai for encashing the unclaimed Dividend standing to the credit of their account.

After completion of seven years as per the above table, no claims shall lie against the said fund or against the Company for the amounts of Dividend so transferred nor shall any payment be made in respect of such claims.

Remuneration Committee

The members of the Committee are:

Name of the Members	Category	Number of Meetings during the year 2010-11	
		Held	Attended
A. T. Krishnakumar	Non-Executive Independent	1	1
K. Chandrasekaran	Executive Director	1	1
Singanallur Narayanan	Non-Executive Independent	1	-

(i) The broad terms of reference of the Remuneration Committee are as under:

- To approve the annual remuneration plan of the company.
- To approve the remuneration and commission/incentive remuneration payable to the Executive Directors for each financial year.
- To approve the remuneration payable to Chief Financial Officer and the Vice Presidents of the Company for each financial year.
- Such other matters as the Board may from time to time request the remuneration committee examine and recommend/approve.

(ii) Meetings of Remuneration Committee were held during the financial year ended March 31, 2011, on August 27, 2010.

(iii) The Company does not have any Employee Stock Option Scheme.

(iv) Details of Remuneration for the year ended March 31, 2011:

(a) Non Executive Directors

- The Non Executive Directors are paid sitting fees for attending the meetings of Board, Committee and Annual General Meetings.
- During the financial year the Company has paid Rs. 1.40 Lakhs as Sitting Fees to the Non-Executive Directors of the Company.

(b) Executive Directors

- Mr. K. Shivakumar, Joint Managing Director has been paid Rs. 6 Lakhs per annum towards remuneration for the financial year ended March 31, 2011.
- Mr. K. Chandrasekaran, Managing Director and Chief Executive Officer of the Company has not drawn any remuneration by way of salary during the financial year ended March 31, 2011.

(v) Details of the shares of the Company held by the Directors:

Name of the Director	Number of Shares Held
Mr. K. Chandrasekaran	15,38,098
Mr. K. Shivakumar	3,94,090
Mr. N. T. Shivkumar	6,00,000
Mr. V. N. Seshagiri Rao	1,10,876

The Company has not issued any Debentures.

Investment Committee

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

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

This committee consists of the following members:

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

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

During the financial year ended March 31, 2011, six meetings of this Committee were held.

1. May 14, 2010	4. November 30, 2010
2. November 11, 2010	5. December 06, 2010
3. November 19, 2010	6. March 14, 2011

The necessary quorum was present for all the meetings.

Share Allotment Sub-Committee

The members of the Committee are:

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

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

During the financial year ended March 31, 2011, no meeting of this Committee was held.

QIP Issue & Allotment Committee

During the year, the Company has raised Rs. 396.28 Million from Qualified Institutional Buyers (QIBs) by allotting 1,58,51,330 equity shares @ Rs.25/- per shares including a premium of Rs.15/- per share in terms of SEBI (ICDR) Guidelines, 2009. The said QIP Issue has been floated in order to deploy the funds for acquisition of companies /businesses/products/services, to finance new practice lines and for general corporate purposes including working capital requirements. Pending utilization of the proceeds of the issue, the company intends to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks. Such investment would be in accordance with the investment policies approved by the Board of Directors from time to time.

The Committee has been constituted during the year July 6, 2010 as per the Chapter VIII of ICDR Regulations, 2009 for the purpose of aforesaid Allotment of Shares to the Qualified Institutional Buyers (QIB's) through Qualified Institutional Placement.

The members of the Committee are:

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

During the financial year ended March 31, 2011 four meetings of this Committee were held.

1. October 22, 2010	3. November 06, 2010
2. November 04, 2010	4. November 11, 2010

After the successful completion of QIP Issue, the Committee was dissolved.

The necessary quorum was present for all the meetings.

Committee of Directors u/s 292 of the Companies Act.

The members of the Committee are:

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

The Committee of Directors has been constituted by the Board under Section 292 of the Companies Act. 1956. The committee functions based on the powers delegated by the Board, for overseeing and taking decisions on borrowings, from financial institutions/ other corporate/entities, etc. The limits fixed are in line with the approval obtained by the company from the members under section 293 [1] [d] of the Companies Act, at the Annual General Meeting held on September 19, 2007 wherein the upper limit is up to and including Rs. 500 Crores. The borrowing limits of the committee of directors are fixed by the Board.

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

During the financial year, one meeting of this Committee was held on January 11, 2011. The necessary quorum was present for all the meetings.

Share Transfer Committee

This committee was constituted by the Board at their meeting held on June 27, 2007. The members of the committee are:

1. Mr. K. Shivakumar
2. Mr. V. N. Seshagiri Rao
3. Mr. K. Chandrasekaran
4. Mr. V. Gopal Rao

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

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

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

The necessary quorum was present for all the meetings.

Allotment & Issue of Share Certificate Committee

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

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

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

GENERAL MEETINGS OF THE COMPANY

Details of previous General Meetings.

Location, date and time where the Annual General Meetings were held:

Year	Annual General Meeting	Location	Date	Time
2010	22 nd Annual General Meeting	'Mini Hall', Narada Gana Sabha, T.T.K. Road, Chennai, India	September 30, 2010	10.30 A.M.
2009	21 st Annual General Meeting	The Music Academy, Kasthuri Srinivasan, Mini Hall, No.168, T.T.K. Road, Chennai, India	September 23, 2009	10.30 A.M.
2008	20 th Annual General Meeting	The Music Academy, Kasthuri Srinivasan, Mini Hall, No.168, T.T.K. Road, Chennai, India	September 23, 2008	10.30 A.M.

During the last three Annual General Meetings, the Shareholders of the Company have approved the Special Resolutions as provided in the notice of the respective Annual General Meetings. Brief details of such resolutions are as under:

Year	Annual General Meeting	Sr.No	Particulars of Special Resolution Passed
2010	22 nd AGM	1	Appointment of Mr. V. Gopal Rao, as Director and Company Secretary of the Company in terms of provisions of Section 314 of the Companies Act, 1956
2009	21 st AGM	-	* None*
2008	20 th AGM	1	Amended Article 21(g) of Articles of Association for increasing the Sitting Fees from Rs. 250/- to Rs. 10,000/-
		2	Deleted Article 21(i) of Articles of Association

Location, date and time where last three Extra-Ordinary General Meetings were held:

Year	General Meeting	Location	Date	Time
2010	Extra-Ordinary General Meeting	'Mini Hall', Narada Gana Sabha, T.T.K. Road, Chennai, India	August 10, 2010	10.30 A.M.
2009	Extra-Ordinary General Meeting	'Mini Hall', Narada Gana Sabha, T.T.K. Road, Chennai, India	February 01, 2010	10.30 A.M.
2008	Extra-Ordinary General Meeting	'Mini Hall', Narada Gana Sabha, T.T.K. Road, Chennai, India	August 14, 2008	10.30 A.M.

Brief of Special Resolutions passed in the above mentioned Extra Ordinary General Meetings:

Year	Extra- Ordinary General Meeting	Sr.No	Particulars of Special Resolution Passed
2010	EGM dated August 10, 2010	1	Approval for the increase in the limit for the investment by FII in the Company within the applicable sectoral capital of the revised paid up equity capital.
2010	EGM dated February 01, 2010	1	Amended the Capital Clause of Memorandum of Association of the Company
		2	Altered the Articles of Association by substituting New Article "3", in place of the existing Article "3".
		3	Approval obtained under Sections 81, 81(1A) of the Companies Act, 1956 for raising additional capital to the tune of USD 20 Million or its rupee equivalent by issuing several class(es) of instruments.
2008	EGM dated August 14, 2008	1	Approval obtained under sections 81, 81(1A) for issuing of several classes of instruments to raise additional capital upto USD 100 Million

POSTAL BALLOT

No Postal Ballot was conducted during the year.

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report forms part of this Annual Report.

Compliance report on Non-Mandatory Requirements under Clause 49

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. The following are the Non-Mandatory Requirements which are complied with by the company.

REMUNERATION COMMITTEE

The Board of Directors constituted a Remuneration Committee, which is entirely composed of independent directors. The committee also discharges the duties and responsibilities as described under non-mandatory requirements of clause 49. The details of the Remuneration Committee and its powers have been discussed in this section of the Annual Report.

SHAREHOLDERS RIGHTS

We display our quarterly and half yearly results on our website, www.infodriveservices.com and also publish our results in widely circulated newspapers.

AUDIT QUALIFICATIONS

The Auditors have not qualified the financial statements of the Company.

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.

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 "Notes to accounts" to the Balance Sheet and Profit & Loss Account.

c . Code for Prevention of Insider Trading

We have comprehensive guidelines on preventing insider trading. Our guidelines on preventing insider trading are in compliance with the SEBI guidelines on prevention of Insider Trading.

d . Declaration as required under Clause 49(I)(D)(ii) of the Stock Exchange Listing Agreement

All Directors and senior management personnel of the Company have affirmed compliance with Info-Drive's Code of Business Conduct and Ethics for the financial year ended March 31, 2011.

MEANS OF COMMUNICATION

The Annual / Quaterly results are published in "News Today" and "Malai Sudar". The Company updates its results on the, BSE, MSE and posted on our website - www.infodrivservices.com.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

Date : Friday, September 30, 2011

Time : 10.15 A.M.

Venue : Mini Hall, 'Narada Gana Shaba, TTK Road, Chennai - 600 014, India.

FINANCIAL CALENDAR OF THE COMPANY

The financial year covers the period from April 1, 2010 to March 31, 2011.

Financial Reporting for 2010-2011

Quarter ending	Release of results
Results for the quarter ending June 30, 2010	By August 13, 2010
Results for the quarter ending September 30, 2011	By November 15, 2010
Results for the quarter ending December 31, 2010	By February 14, 2011
Results for the quarter ending March 31, 2011	By May 13, 2011

Financial Reporting for 2011-12 (Tentative)

Our tentative calendar for declaration of results for the financial year 2011-2012 is as given below:

Quarter ending	Release of results
Results for the quarter ending June 30, 2011	Fourth Week of August 2011
Results for the quarter ending Results for September 30, 2011	Third Week of November 2011
Results for the quarter ending December 31, 2011	First Week of February 2012
Results for the quarter ending March 31, 2012	First Week of May 2012

DATE OF BOOK CLOSURE

The period of book closure is fixed from September 14, 2011 to September 30, 2011 (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 Code: 530703, Scrip ID: INFDS]

The trading of the company's scrip commenced on the National Stock Exchange [through Madras Stock Exchange] with effect from January 8, 2010.

Market Price Data: i.e. High-Low for each month during the financial year

Bombay Stock Exchange

Month	High (Rs.)	Low (Rs.)
April 2010	34.40	23.40
May 2010	27.95	21.75
June 2010	29.35	21.55
July 2010	32.50	24.15
August 2010	26.85	21.50
September 2010	27.00	21.65

Month	High (Rs.)	Low (Rs.)
October 2010	25.50	22.50
November 2010	29.50	21.35
December 2010	26.00	18.00
January 2011	25.00	17.00
February 2011	24.95	16.50
March 2011	20.85	16.80

National Stock Exchange

Month	High (Rs.)	Low (Rs.)
April 2010	32.65	23.00
May 2010	52.80	27.05
June 2010	55.70	35.70
July 2010	51.00	33.30
August 2010	40.90	31.00
September 2010	44.00	31.00

Month	High (Rs.)	Low (Rs.)
October 2010	46.00	32.20
November 2010	41.00	28.00
December 2010	49.90	34.75
January 2011	48.45	28.50
February 2011	39.00	28.35
March 2011	33.05	22.00

DISTRIBUTION SCHEDULE AS ON MARCH 31, 2011 AND JUNE 30, 2011

No. of Equity Shares Held	March 31, 2011			June 30, 2011		
	No. of Shareholders	No. of Shares	% of Shareholding	No. of Shareholders	No. of Shares	% of Shareholding
1 – 500	5500	1005093	2.23	5499	1002974	2.22
501 – 1000	593	506266	1.12	601	511000	1.13
1001 – 2000	283	435709	0.967	296	459794	1.02
2001 – 3000	104	273316	0.61	103	271394	0.60
3001 – 4000	57	206351	0.46	56	203382	0.45
4001 – 5000	50	235728	0.52	51	241357	0.53
5001 – 10000	83	593717	1.32	82	593994	1.32
10001 and above	197	41834040	92.78	201	41806325	92.72
Total	6867	45090220	100.00	6889	45090220	100.00

SHAREHOLDING PATTERN

As on March 31, 2011

Sl. No.	Category	No. of Holders	No. of Shares	% of Shares
1.	Resident Indian	6535	14767242	32.75
2.	Corporate Body	196	7327214	16.25
3.	NRIs	106	2698487	5.99
4.	FIs	6	15926570	35.32
5.	Promoters	5	2193702	4.87
6.	Mutual Funds	1	800	0.00
7.	Bank	1	7600	0.02
8.	Clearing Member	13	4507	0.00
9.	Person Acting in Concert	3	2163598	4.80
10.	Trust	1	500	0.00
	TOTAL	6867	45090220	100.00

As on June 30, 2011

Sl. No.	Category	No. of Holders	No. of Shares	% of Shares
1.	Resident Indian	6554	14809645	32.84
2.	Corporate Body	197	7441685	16.50
3.	NRIs	107	2698937	5.98
4.	FIs	6	15926570	35.32
5.	Promoters	5	1993702	4.42
6.	Mutual Funds	1	800	0.0017
7.	Bank	1	7600	0.01
8.	Clearing Member	14	47183	0.10
9.	Person Acting in Concert	3	2163598	4.79
10.	Trust	1	500	0.00
	TOTAL	6889	45090220	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Demat ISIN No. INE 804D01011

As on March 31, 2011, 4,41,79,860 Shares, that is, 97.98% were held in dematerialized form and the balance of 2.02% of shares, that is, 9,10,360 shares were held in Physical form.

As on June 30, 2011, 4,41,79,860 Shares, that is, 97.98% were held in dematerialized form and the balance of 2.02% of shares, that is, 9,10,360 shares were held in Physical form.

PROMOTERS AND PROMOTERS GROUP

Given below are the Shareholdings of "Promoters and Promoters Group" as on June 30, 2011.

Sl. No.	Name of the Shareholder	No. of Shares	% of Shares
1.	Mr. Arif Buhary Rahman	1573736	3.49
3.	M/s. EH Building Consultancy Pvt. Ltd.,	941900	2.08
4.	Mr. V. N. Seshagiri Rao	25876	0.05
5.	Mr. K. Shivakumar	394090	0.87
6.	Mr. K. Chandrasekaran	1538098	3.42
7.	Mr. N. T. Shivkumar	600000	1.33
8.	Mr. S. K. Vidyasagar	25500	0.06
	Total	5099200	11.30

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
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
14.	11.11.2010	15,851,330	15,85,13,300	45,09,02,200

Company's 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 - 2821260 9

Website : www.infodriveservices.com

E-mail: info@infodriveservices.com

Company's Registrar and Transfer Agent**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**

Associate Vice President - Corporate Affairs

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

Tel: +91 - 44 - 28212368

Fax: +91 - 44 - 28212609

E-mail: smitha@infodriveservices.com

Designated Email ID for Investor Services

investorcell@infodriveservices.com

ACKNOWLEDGMENT

We take this opportunity to thank our customers, shareholders, suppliers, business partners/associates, vendors, bankers and financial institutions and Central and State Governments for their continued support and encouragement during the financial year. We place on record our appreciation of the contribution made by our employees across all levels for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in IT industry.

We thank the governments of various countries where we have operations and look forward to their continued support at all times.

Chennai
12.08.11

For and Behalf of the Board

Sd/-
K. Chandrasekaran
Director & CEO

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, 2011 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.

Chennai
12.08.11

For **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 009013S

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

CEO & CFO CERTIFICATION

To the Board of Directors of Info-Drive Software Limited

We, K. Chandrasekaran, 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, 2011 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 of:
 - (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) No 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
12.08.11

Sd/-
K. Chandrasekaran
Director & CEO

Sd/-
ANL Madhavann
Chief Financial Officer



Management Discussion and Analysis

INDUSTRY OVERVIEW

*MACRO ECONOMIC SCENARIO - MARKET SIZE, TREND AND POTENTIAL

Worldwide technology products and services related spend is estimated to reach USD 1.6 trillion in 2011, a growth of 4 per cent over 2010, with emerging verticals and emerging geographies, in addition to US, driving growth.

- Worldwide hardware spends increased by 6.4 per cent on the back of a global refresh cycle.
- IT services spend increasing by 1.4 per cent in 2010, within which IT outsourcing grew by 2.4 per cent.
- Continuous ROI focus led to BPO growing by 4 per cent, while software products rose by 3.7 per cent led by increased focus on security, storage, and application development.
- Within IT outsourcing, global sourcing grew by 10.4 per cent in 2010.

Indian IT-BPO performance

The sector is estimated to aggregate revenues of USD 88.1 billion in FY 2011, with the IT software and services sector (excluding hardware) accounting for USD 76.1 billion of revenues.

- Exports Market:* Export revenues are estimated to gross USD 59 billion in FY 2011 accounting for a 2 million workforce.
 - The BPO segment grew by 14 per cent to reach USD 14.1 billion in FY 2011.
 - The engineering design and products development segments generated revenues of USD 9 billion in FY 2011.
- Domestic Market:* Domestic IT-BPO revenues excluding hardware are expected to grow at almost 16 per cent to reach Rs. 787 billion in FY 2011.
 - IT services is one of the fastest growing segment in the Indian domestic market, rising by 16.8 per cent to reach Rs. 501 billion.
 - Domestic BPO segment is expected to grow by 16.9 per cent in FY2011, to reach Rs. 127 billion.
 - Indian software product segment is estimated to grow by 14 per cent to reach Rs. 157 billion.

*(Source: NASSCOM Strategic Review 2011)

India's Service Exports

India's export of services is expected to touch \$ 310.9 billion by 2011/12, powered by the booming software, consultancy, engineering and tourism sectors, according to the Federation of Indian Chambers of Commerce and Industry (FICCI) survey. Services exports could surpass merchandise exports, which are expected to more than double to \$ 305.5 billion in the next five years.

India: Projected Exports of Services and Merchandise:

Year	Services (\$ billion)	Merchandise (\$ billion)
2006	71.6	112.4
2007	91.5	132.7
2008	116.9	156.8
2009	149.2	185.3
2010	190.6	218.9
2011	243.4	258.6
2012	310.9	305.5

In terms of share in worldwide services exports, India is going to almost triple its share from the current 2.3% to 6% by 2012, FICCI noted. While China's exports of commercial services at \$ 74 billion are now more than that of India but India's exports of commercial services would cross that of China in 2009 – the average annual growth rate of services in China is 19% for the past five years. By 2013 India's commercial services exports could be some \$100 billion higher than that of China. The commercial services exports from China are projected to be around \$300 billion while that from India would be \$397 billion by 2013.

***INDIAN IT-BPO VALUE PROPOSITION**

India has retained its' position as the leading global shoring destination with a 55 per cent share of global ITO and BPO market in 2010, and been able to increase its market share in spite of competitive challenges presented by emerging off shoring destinations. Indian industry is increasingly being driven by the following four factors:

Transformational Business impact – Client business transformation happening through

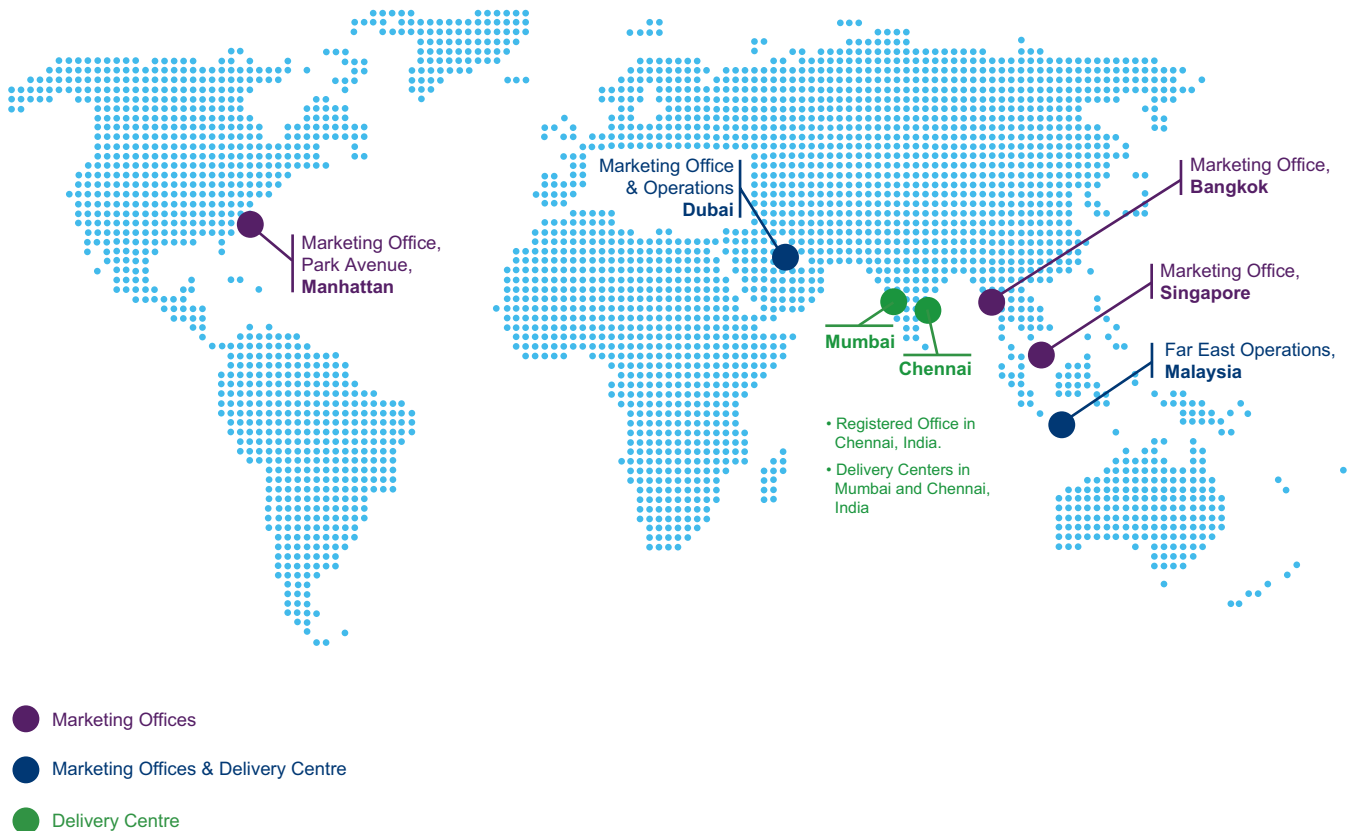
- **Verticalised Solutioning** – A number of organisations have restructured themselves around verticals and Centres of Excellences – so as to develop and deliver end to end services keeping in mind customer needs, creating products aimed at growing emerging markets and creating a substantial revenue impact for them. These verticalised business units act as a source of innovation and development of proof of concept solutions.
 - **Technology Enablement** – Development of solutions around platforms, cloud based products integrating business intelligence, and application development tools are proving to be game changers for an increasing set of customers. This is also prompting customers to move from CAPEX to OPEX based models.
 - **Process Innovation/Re-Engineering** – Coupled with automation and six sigma skills, incremental set of enhancements imbibing best in class learning and practices in established service delivery processes also have the ability to create wide ranging transformation for clients.
- **Service Delivery Maturity** – India is the most mature outsourcing market, with Indian service providers having developed end to end service delivery capabilities around all verticals. Further, there is increased globalisation in service delivery, cross border collaboration and partnerships to enhance service offerings, and reengineering of the talent pool for greater productivity and efficiency.
- **Scalability** – India's scale and flexibility is unique- a vast labour pool, network of Tier II/III cities offering further cost reduction and increased infrastructure spend are the cornerstones to this advantage offered by India over other locations. The demand side has also been maturing gradually, moving away from commoditised services at lowest possible cost to demand for higher end solutions and measurable business value. There is a highly rationalised and competent provider base which is again one factor where India scores over other countries.
- **Sustainability** – Industry focusing on sustainable practices – including diversity, green and corporate social responsibility.

**(Source: NASSCOM Strategic Review 2011)*

INTRODUCTION TO COMPANY'S BUSINESS AND INDUSTRY

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 (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 KPO/Benefits Administration for the Pension Fund Industry in USA.

Current Global Footprint



OUR SERVICES

- During the last quarter of 2010, your Company has reorganized its business model to focus on the selected verticals
 - Banking, Financial Services and Insurance (BFSI)
 - Telecom
 - Pension Industry
 - Healthcare
- Your Company will focus on the following key technology services (Horizontal):
 - Enterprise Solutions:
 - ▲ Enterprise Resource Planning (Package Implementation)
 - ▲ Business Intelligence & Business Analytics
 - Business Technology Optimization/Business Consulting (Strategic)
 - ▲ Cutting Edge Demand Forecasting
 - ▲ Lean Process Improvement
 - ▲ Management Coaching
 - ▲ Org Change Management
 - ▲ Profitability and financial strategy
 - ▲ Balanced Score Card
 - ▲ Commercial and Strategy Planning
 - Application Development & Maintenance
 - Business Intelligence & Analytics
- Your Company has successfully launched Enterprise Risk Management practice encompassing end to end offerings in this segment . The spectrum of offerings under this include operational , credit and market risk solutions, asset liability management , Basel compliance , anti money laundering solutions and analytics thereby expanding your Company's highly specialized service offerings in BFSI space. The domain focus would be BFSI and Telcos. During the financial year 2010, InfoDrive won a deal to implement and support a mission critical Basel II risk data warehousing solution with a leading Bank in Nigeria and South Africa. This is a huge deal commencing with a comprehensive Consulting study of the risk architecture review and encompasses the roll out of the entire customized solution. Our Practice focuses on deployment and implementation of solutions from SAS Institute.
- Business Process Outsourcing
 - Benefit Administration KPO (for Third Party Administrators in US)
 - ▲ Plan Design
 - ▲ Plan Documents & 5500 Filings to IRS
 - ▲ Plan Administration
 - Contribution Processing & Compliance Testing
 - Valuation & Trust Accounting
 - ▲ Loan Administration
 - ▲ Plan Mergers/Plan Amendments
 - ▲ Plan Termination
 - ▲ IRS Forms
 - Healthcare BPO for Medical service Providers in US
 - Medical Data Capture & Data Management
 - Medical Coding & Billing
 - Medical Insurance Claims Processing

STRENGTHS & OPPORTUNITIES

Enhanced Niche Areas: Your Company differentiates itself by focusing on niche service offerings, emerging technologies, new industry trends, and pervasive business issues that confront its Clients. Recently, your Company has added new service offerings, such as Enterprise risk management services and strengthened its domain intensive services in the BFSI.

Right Sized Company: Being a right-sized Company, your Company has the ability to demonstrate agility and flexibility in its operations to suit the dynamic needs of its customers. Your Company has demonstrated capability in meeting human and financial capital ,physical infrastructure requirements for large projects, at the same time establish its customer relationship comfort.

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.

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 & 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.

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.

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.

Your company is also actively pursuing inorganic growth as one its growth strategies and is actively on the lookout for suitable targets which would enhance the scope of service offerings in stated lines and/or target new well established service lines and geographies.

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;
- 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 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 showing alternate destinations for offshore based outsourcing. 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.

Your Company is providing services to the clients across the globe and in that process the laws of the respective countries need to be complied with. At the time of entering into any business with any Client, the agreement/contract is thoroughly reviewed and analyzed by the legal team and the risk involved pertaining to that particular agreement/contract is escalated to the Senior Management. The operational teams spread across the globe are made aware of the compliance related issues to adhere to all contractual commitments.

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 in 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 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. Also if any of the currencies that we deal in are pegged to US dollar the impact is felt. Further the weakening of rupee against currencies not pegged to US dollar impacts the revenues/profitability of your company. The prevailing uncertainty in US dollar has made currency movements volatile and unpredictable. This could impact your company till the situation stabilizes. During the year under review, large proportion of the revenues and costs are denominated in Indian Rupees (INR) and consequently exchange risk for the year under review has been minimal. However to mitigate risk, your Company would follow a proactive hedging policy.

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 evolved a transition process and 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

BUSINESS OUTLOOK

Looking back, the year 2010 witnessed the return of upward growth after troubled times in the past 18-24 months. Your Company was well positioned to make the most of the opportunities and perform well over the last 3-months of the FY 2010. We are confident of sustaining the growth momentum over the next financial year and beyond. The global economic recovery continues with modest to high growth in IT & BPO spending expected on a secular basis. However, the potential for event-driven disruptions such as the recent earthquake and tsunami in Japan, or general global macro-economic slowdowns like the recent crisis in United States economy and consequently its rating and currency could potentially have a temporary impact on the rate of IT spending atleast in the immediate short-term. The IT industry is aggressively pursuing innovations that it expects to stimulate demand beyond such modest growth. Besides organic growth, IT service providers like your company are also aggressively pursuing mergers and acquisitions to stimulate growth. We believe that our business model is somewhat diversified, both geographically and operationally—we serve both IT and IT enabled solutions that cater to the non-discretionary budgets of our clients. We believe our strategy of a global delivery model and the Selective Acquisition strategy positions us well to provide a greater breadth of services in catering to market needs and opportunities in our chosen industry verticals. Our target acquisition platforms present us with a unique opportunity to integrate and add value immediately to make it highly accretive in a shorter time period compared to industry norms. We are confident of executing on our M&A plans during this financial year.

In the year ahead, we will continue to research the vast technology landscape that is undergoing rapid change and identify trends to orchestrate cutting-edge innovative solutions that can create differentiated value to our customers and their business. As customers face significant challenges with their business operations and investments, we would enable them to balance the challenge by bringing transformational technology trends and co-creation of innovative solutions through high value impact engagements, technology evangelization, thought leadership and strategy consulting. We have already established the key building blocks towards this growth thesis by delivering successful projects to several global banks across Asia, Middle East and Africa in the area of Enterprise Risk Management and Retail Banking solutions. We have also demonstrated sustained excellence in delivery of cost effective operations management for one of world's largest Telecom providers based in Middle East. With a proactive approach to economic factors impacting the industry your company is confident of facing the head winds in a turbulent global economic environment.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

INFO-DRIVE SOFTWARE LIMITED (CONSOLIDATED)

The Management Discussion and Analysis below relates to the consolidated 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, 2011.

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

In fiscal 2011, the total income aggregated to Rs. 12,948.35 lacs (Rs. 21,391.25 lacs in fiscal 2010). During the year under review, the company has divested its investment in a subsidiary. The company's revenues consist mainly of income from Technology Consulting, Hardware Sales & Services, Systems Integration, Banking Solutions and Business Process Outsourcing. The company recognizes contracts priced on a time and materials basis when services are rendered and related costs incurred. The classification of revenues by geography and industry practice is more relevant when reviewed as consolidated results of the company.

Revenue by Geography

		Rs. Lacs	
Geography	2011	2010	
Malaysia	564.45	1,581.73	
United States of America	76.77	330.50	
United Arab Emirates	4,795.22	2,304.15	
Singapore	0.60	-	
India	7,511.31	17,174.87	
Total	12,948.35	21,391.25	

Expenditure

Employee Costs

The 'Total Employee Costs' for fiscal 2011 was Rs. 1,332.75 lacs (Rs. 2,669.05 lacs) Total employee cost as a percentage of revenues was 10.39% (12.50% in fiscal 2010). There is a reduction in the total employee strength to 286 in fiscal 2011 (1544 in fiscal 2010).

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. 760.91 lacs in fiscal 2011 (Rs. 1,168.21 lacs in fiscal 2010). As a percentage of revenue, these expenses had a marginal decrease from 5.94% in fiscal 2010 to 5.48% in fiscal 2011.

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

The earnings before interest, depreciation taxes and amortisation (EBIDTA) in fiscal 2011 was Rs. 1,249.17 lacs (Rs. 1,616.76 lacs in fiscal 2010). EBIDTA as a percentage of Revenues was 9.74% in fiscal 2011 (7.58% in fiscal 2010). The reason for this increase is due to reduced input costs on manpower resources and optimization hardware/services mix.

Interest Costs & Depreciation

Interest expense was Rs. 454.73 lacs in fiscal 2011 (Rs. 361.43 lacs in fiscal 2010) and Depreciation charge was Rs. 94.19 lacs in fiscal 2011 (Rs. 227.86 lacs in fiscal 2010). The finance charges increased due to increase in the amount of loans and decrease in depreciation is due to divestment in a subsidiary.

Profit Before Taxes

The Profit before taxes in fiscal 2011 was Rs. 700.25 lacs (Rs. 1027.47 lacs in fiscal 2010). As a percentage of revenue, the profit increased to 5.38% in fiscal 2011 as against 4.19 in fiscal 2010. The Increase in Profit before Taxes as a percentage of revenues are due to the shift towards a more predominantly services mix.

Net Profit before Minority Interest and Dividend Including Tax

The company's net profit before minority interest in fiscal 2011 was Rs. 690.10 lacs (Rs. 914.11 lacs in fiscal 2010). As a percentage of revenues it was 5.38 % in fiscal 2011 as against 4.28% in fiscal 2010 the increase as a percentage being shift towards services.

Net Profit (After Minority Interest)

The Company's net profit (consolidated) was Rs. 578.81 lacs in fiscal 2011 (Rs. 914.11 lacs in fiscal 2010). Net profit as a percentage of total income is 4.47% in fiscal 2011 (4.27% in fiscal 2010).

FINANCIAL POSITION (CONSOLIDATED)

Share Capital

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

	31.03.2011	31.03.2010
Authorised Share Capital	7000.00	7000.00
Issued, Subscribed and Paid-up Capital	4509.02	2923.89

Rs. Lacs

Reserves and Surplus

Share Premium account stood at Rs. 3,866.57 lacs (Rs. 1562.11 lacs in fiscal 2010).

The opening balance of reserves as at March 31, 2011 was Rs. 1707.50 lacs and the corresponding opening balance of reserves as at March 31, 2010 was Rs. 2114.08 lacs.

Balance in profit and loss account as at March 31, 2011 was Rs. 578.82 lacs (Rs. 743.06 lacs as at March 31, 2010).

Reserves and Surplus at the end of fiscal 2011 was Rs. 6,152.89 lacs, an increase of 39.23% over Rs. 4,419.25 at the end of fiscal 2010 primarily due to premium on QIP issue during the year.

Loans

Secured Loans at the end of fiscal 2011 were Rs. 1871.97 lacs (Rs. 2383.56 lacs in fiscal 2010).

Unsecured loans at the end of fiscal 2011 were Rs. 3278.29 lacs (Rs. 4130.14 lacs in fiscal 2010).

Deferred Tax Asset & Deferred Tax Liability

As stated in accounting policies in Notes on Accounts, company had deferred tax liability in fiscal 2011 of Rs. 21.62 lacs and deferred tax asset in fiscal 2011 of Rs. 20.84 lacs whereas it had deferred tax liability for fiscal 2010 of Rs. 48.68 lacs.

Fixed Assets

Additions to Gross Block in fiscal 2011 amounted to Rs. 134.09 lacs. The significant items of additions in fiscal 2011 were office equipment (Rs. 13.50 lacs), Electrical Installations (Rs. 14.58 lacs) furniture & fittings (Rs. 69.20 lacs), vehicles (Rs. 30.07 lacs), computer systems (Rs. 6.59 lacs), software package (Rs. 0.15lacs).

Deletions to Gross Block in fiscal 2011 amounted to Rs. 8.90 lacs. The items of deletions in fiscal 2011 were furniture & fittings (Rs. 1.58 lacs) and office equipment (Rs. 7.32 lacs).

Goodwill on Consolidation

Goodwill on consolidation as at March 31, 2011 was Rs. 2,349.58 lacs (Rs. 5,537.15 lacs as at March 31, 2010). The decrease is due to the amount pertaining to subsidiary the investment in which was divested during the year.

Investments

Investments by Subsidiaries and Mutual Funds were Rs. 2268.85 lacs as at March 31, 2011 (Rs. 25.00 lacs as at March 31, 2010).

Inventories

Inventory by fiscal 2011 stood at Rs. 85.83 lacs (Rs. 370.83 lacs in fiscal 2010). The reduction is due to the inventory pertaining to subsidiary divested during the year.

Sundry Debtors

Sundry Debtors as at March 31, 2011 aggregated to Rs. 7,613.69 lacs (Rs. 7,269.36 lacs as at March 31, 2010). As a percentage of operating revenue, sundry debtors were at 59.39% as at March 31, 2011 as compared to 34.07% as at March 31, 2010. There had been an increased focus on collections but due to clients facing economic difficulties, there had been delays in both domestic and international clients whose dues fell beyond stipulated credit period. The company continues to monitor closely the creditworthiness of its clients and is working closely with them to ensure that all dues are collected within reasonable time.

Cash and Bank Balances

The company had total cash and bank balances of Rs. 2,721.88 lacs as at March 31, 2011 (Rs. 2,412.01 lacs). Balances held in fixed deposits with banks were Rs. 2,486.34 lacs as at March 31, 2011 (Rs. 537.43 lacs as at March 31, 2010).

Loans and Advances and Others

Loans and advances as at March 31, 2011 were Rs. 3903.63 lacs (Rs. 885.10 lacs as at March 31, 2010). The increase is primarily attributable to:

- a . Deposits, advances and others of Rs. 1512.17 lacs as at March 31, 2011 (Rs. 776.93 lacs as at March 31, 2010).
- b . Inter corporate loans of Rs. 2,391.46 lacs as at March 31, 2011 (Rs.108.17 lacs as at March 31, 2010).

Other Current Assets

- a . Earnest money and others of Rs. Nil as at March 31, 2011 (Rs. 803.41 lacs as at March 31, 2010).
- b . Other Assets of Rs. 463.30 lacs as at March 31, 2011 (Rs. Nil as at March 31, 2010).

Current Liabilities

Current Liabilities has decreased to Rs. 3,741.95 lacs as at March 31, 2011 as compared to Rs. 4,317.04 lacs as at March 31, 2010. This decrease is primarily due to decrease in sundry creditors to Rs. 3,733.95 lacs as at March 31, 2011 (Rs. 4,311.85 lacs as at March 31, 2010).

Provisions

Provisions made towards taxes and tax on dividend (2010) aggregated to Rs. 244.77 lacs as at March 31, 2011 as against Rs. 448.62 lacs as at March 31, 2010. The reduction in provision is due to non-provision of dividend for the year.

Miscellaneous Expenditure

Net Issue Expenses stood at Rs. 2.16 lacs in fiscal 2011 as compared to Rs. 72.91 lacs in fiscal 2010 after transfer of Rs. 49.69 lacs to Share Premium account.

CASH FLOW (CONSOLIDATED)

Cash Flow from Operations

In fiscal 2011, net cash generated from operating activities was (Rs. 2084.46 lacs) as against Rs. 925.35 lacs in fiscal 2010. Apart from net profit before taxes of Rs. 700.25 lacs (Rs. 1027.47 lacs in fiscal 2010) the net cash generated includes non cash items like depreciation of Rs. 94.19 lacs (Rs. 227.86 lacs).

Cash Flow from Investing Activities

In fiscal 2011, the company derived Rs. 274.95 lacs on investing activities (Rs. 205.42 lacs used in fiscal 2010). Significant amount of cash used in investment activities in fiscal 2011 was for purchase of fixed assets Rs. 134.10 lacs and Investment in subsidiaries and associates of Rs. 48.85 lacs.

Cash Flow from Financing Activities

In fiscal 2011, the significant item of cash from financing activities includes proceeds of further issue of equity shares amounting to Rs. 3,962.83 lacs (Rs. 9.94 lacs in fiscal 2010) and the use was to pay, long term borrowings (net) Rs. 511.59 lacs (Rs. 434.55 lacs in fiscal 2010), short-term borrowings (net) Rs. 851.51 lacs (Rs. 1154.33 lacs in fiscal 2010). Interest paid amounted to Rs. 454.73 lacs (Rs. 361.43 lacs in fiscal 2010).

Cash Position

Cash and cash equivalents as at March 31, 2011 amounted to Rs. 2,721.88 lacs (Rs. 2,412.01 lacs as at March 31, 2010).

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, 2011.

Overview

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

Revenue from Operations

The company derives its revenues from Systems Integration, Customized Software Development, Implementation of third party application packages. Infrastructure Outsourcing including technical support services. The company recognizes contracts priced on a time and material (T&M) basis when services are rendered and related costs incurred or on a fixed price basis. The company's (unconsolidated) revenues increased to Rs. 2,062.92 lacs in fiscal 2011 from Rs. 1,638.45 lacs in the fiscal 2010, an increase of 25.91%. The increase in revenues is largely attributable to the growth in the Telco segment from the Middle Eastern market which has grown manifold during the year under review. Apart from services in Telco, Systems Integration business in Far Eastern markets contributed to the increase.

Other Income

Other income comprises interest on fixed deposits and ICDs. Other income in fiscal 2011 was Rs. 71.29 lacs (Rs. 20.31 lacs in fiscal 2010). This increase is due to the funds raised from the QIP issue made during the year and parked in Interest yielding deposits.

Expenditure

Employee Cost

Employee Cost in fiscal 2011 was Rs. 363.28 lacs (Rs. 190.96 lacs in fiscal 2010). Employee cost as a percentage of revenue was 17.61% in fiscal 2011 as compared to 11.65% in fiscal 2010. This increase is due to hiring of technical manpower resources commensurate with the increase in business in the Telco segment. There has also been increase due to hiring for the Risk Management practice during the year.

Administration and Other Expenses

The nature of administrative expenses (other than employees cost) includes rent, rates, taxes, advertisement, repairs and maintenance, postage, telephone etc., which increased to Rs. 267.24 lacs in fiscal 2011 from Rs. 132.05 lacs in fiscal 2010. This increase is due to higher spend on Business development, Travelling and Rent for the additional infrastructure.

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

The EBIDTA in fiscal 2011 was Rs. 334.49 lacs compared to Rs. 751.45 lacs in fiscal 2010. This decrease is due to increased spend on employee cost and administrative expenses.

Interest Costs & Depreciation

Interest expenses increased from Rs. 55.14 lacs in fiscal 2010 to Rs. 113.03 lacs in fiscal 2011 an increase to 2.05 times due to interest on working capital facilities from Axis Bank and on Inter Corporate Deposits taken to augment working capital needs. Depreciation charge increased from Rs. 23.73 lacs in fiscal 2010 to Rs. 25.56 lacs in fiscal 2011 an increase of 1.08 times due to additional assets.

Profit before Taxes

The Profit before taxes (PBT) in fiscal 2011 was Rs. 195.90 lacs compared to Rs. 672.58 lacs in fiscal 2010. The decrease is due to the change in revenue mix and the conclusion of contracts related to eliving practice.

Dividend

The Board has not recommended any Dividend for the year under review (in fiscal 2010 it was 5% ie., Re 0.50 per share).

Profit After Tax (PAT)

The company has achieved a PAT of Rs. 195.86 lacs in fiscal 2011 as compared to Rs. 661.64 lacs in fiscal 2010 decrease of 70.40%.

FINANCIAL POSITION (UNCONSOLIDATED)**Share Capital**

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

	31.03.2011	31.03.2010
Authorised Share Capital	7000.00	7000.00
Issued, Subscribed and Paid-up Capital	4509.02	2923.89

Rs. Lacs

Reserves and Surplus

Share Premium account stood at Rs. 3866.57 lacs in fiscal 2011 (Rs. 1562.11 lacs in fiscal 2010) and this increase is due to QIP issue at a premium during the year under review.

Foreign Currency Translation Reserve was Rs. 69.65 lacs in fiscal 2011 as against Rs. 80.50 lacs in fiscal 2010.

Profit & Loss account stood at Rs. 570.71 lacs for the fiscal year ended March 31, 2011 (fiscal year ended March 31, 2010 Rs. 374.85 lacs).

Total Reserves and Surplus at the end of fiscal 2011 was Rs. 4,506.93 lacs as compared to Rs. 2,017.46 lacs in fiscal 2010.

Loans

Secured Loans as at the end of fiscal 2011 was Rs. 375.04 lacs against Rs. 387.34 lacs in fiscal 2010 due to continued funding facilities availed from Axis Bank.

Unsecured Loans as at the end of fiscal 2011 was Rs. 45.83 lacs against Rs. 475.47 lacs in fiscal 2010 as per details given below:

- Deferred Credits at the end of fiscal 2011 was Rs. Nil compared to Rs. 101.17 lacs in fiscal 2010.
- Inter corporate Loans at the end of fiscal 2011 was Rs. 45.83 lacs compared to Rs. 374.30 lacs in fiscal 2010.

Deferred Tax Asset & Deferred Tax Liability

As stated in accounting policies in Notes on Accounts on the fiscal 2010, company had deferred tax liability of Rs. 21.59 lacs where as in fiscal 2011 it was Rs. 21.62 lacs and also it had deferred tax asset of Rs. 20.84 lacs under MAT.

Fixed Assets

Additions to Gross Block in fiscal 2011 amounted to Rs. 116.67 lacs. The significant items of additions in fiscal 2011 were furniture & fittings (Rs. 69.21 lacs) office equipment (Rs. 13.50 lacs), vehicles (Rs. 13.53 lacs), computer systems (Rs. 5.70 lacs), electrical installations (Rs. 14.58 lacs), software package (Rs. 0.15 lacs).

Deletions to Gross Block in fiscal 2011 amounted to Rs. 8.89 lacs comprising of furniture & fittings Rs. 1.58 lacs and office equipment Rs. 7.31 lacs.

Investments

Investments in wholly owned subsidiaries and other subsidiaries aggregated Rs. 2768.05 lacs in fiscal 2011 as compared to Rs. 3631.81 lacs in fiscal 2010.

Inventories

Inventory in fiscal 2011 stood at Rs. 85.83 lacs included W.I.P (Unbilled Revenue) (fiscal 2010 Rs. 16.15 lacs).

CURRENT ASSETS, LOANS & ADVANCES

Sundry Debtors

Sundry Debtors for the fiscal 2011 aggregated to Rs. 1575.51 lacs (Rs. 978.17 lacs for fiscal 2010). As a percentage of revenue, sundry debtors were 76.37% in fiscal 2011 as compared to 59.70% in fiscal 2010. There had been increased focus on collections, still there had been delays from certain clients whose dues fell beyond stipulated credit period. The company continues to monitor and is working closely with clients to ensure that all dues are collected within a reasonable time.

Cash and Bank Balances

The company had cash and bank balances of Rs. 2495.44 lacs as at March 31, 2011 ie., in fiscal 2011 compared to Rs. 908.24 lacs as at March 31, 2010 ie., fiscal 2010.

Loans and Advances

Loans and advances were Rs. 1909.95 lacs in fiscal 2011 as compared to Rs. 679.16 lacs in fiscal 2010. This increase is primarily attributable to:

- a . Loans to subsidiary companies.
- b . Deposits, advances and others were Rs. 446.99 lacs in fiscal 2011 as compared to Rs. 143.46 lacs in fiscal 2010.

Other Current Assets

Other Current Assets were Rs. 463.30 lacs in fiscal 2011 (Rs. Nil in fiscal 2010).

Current Liabilities

Current Liabilities decreased to Rs. 302.99 lacs in fiscal 2011 as compared to Rs. 666.76 lacs in fiscal 2010. The decrease is primarily due to:

- a . Decrease in sundry creditors Rs. 269.41 lacs as at March 31, 2011 compared to Rs. 544.37 lacs as at March 31, 2010.
- b . Other liabilities Rs. 33.58 lacs in fiscal 2011 as compared to Rs. 122.39 lacs in fiscal 2010.

Provisions

Provisions made towards taxes and tax on dividend (2010) aggregates to Rs. 46.54 lacs as at March 31, 2011 as against Rs. 176.54 lacs as at March 31, 2010.

Miscellaneous Expenditure

Net Issue Expenses stood at Rs. Nil in fiscal 2011 (Rs. 49.69 lacs in fiscal 2010).

CASH FLOW (UNCONSOLIDATED)**Cash Flow from Operations**

In fiscal 2011, net cash generated was Rs. 2163.14 lacs (Rs. 549.66 lacs in fiscal 2010). Apart from net profit before taxes of Rs. 195.90 lacs in fiscal 2011 (Rs. 672.58 lacs) the net cash generated includes non cash items like depreciation of Rs. 25.56 lacs (Rs. 23.73 lacs in fiscal 2010).

Cash Flow from Investing Activities

In fiscal 2011 the company derived Rs. 255.08 lacs ((Rs. 147.26 lacs) in fiscal 2010) primarily due to divestment of investment in subsidiary Precision Infomatic (Madras) Private Limited; Cash flow used on investment in subsidiaries Rs. 44.40 lacs in fiscal 2011 (Rs. 9.94 lacs in fiscal 2010), purchase of fixed assets Rs. 116.67 lacs in fiscal 2011 (Rs. 102.49 lacs in fiscal 2010).

Cash Flow from Financing activities

In fiscal 2011, the company derived cash flow from QIB issue of Rs. 3962.83 lacs (Nil in fiscal 2010) and cash used in financing activities includes, long term borrowings (net) Rs. 12.30 lacs (Rs. 349.79 lacs in fiscal 2010), short-term borrowings (net) Rs. 429.66 lacs (Rs. 123.73 lacs in fiscal 2010).

Cash Position

Cash and cash equivalents as at March 31, 2011 was Rs. 2495.44 lacs as compared to Rs. 908.24 lacs as at March 31, 2010.

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.



Financials



To the members of INFO-DRIVE SOFTWARE LIMITED

1. I have audited the attached Balance Sheet of INFO-DRIVE SOFTWARE LIMITED, as at March 31, 2011 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.
2. 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.
3. 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.
4. Without qualifying my opinion, I draw attention to Note e of Schedule V in the accompanying financial statements for the year ended March 31, 2011 in connection with the value of investments:
 - i) in Info-Drive Software Inc, USA (wholly owned subsidiary) though diminished as on the date of balance sheet, management is confident of augmenting resources against firm orders to mitigate any further erosion and hence carried at cost.
 - ii) in Info-Drive Software Pte Ltd, Singapore (wholly owned subsidiary) has also diminished; however, as the entity has not began any commercial operations during the year under review and as the management is confident of firm orders in the current year the same has been valued at cost.
5. Without qualifying my opinion I draw attention to:
 - i) Note i of Schedule V in the accompanying financial statements for the year ended March 31, 2011 in respect of holding an inventory of CD's amounting to Rs. 15.23 lakhs. As the management is confident of releasing a newer version the same has not been written off but has been carried at cost.
 - ii) Note j of Schedule V in the accompanying financial statements for the year ended March 31, 2011 towards charging-of off QIP issue expenses and preliminary expenses entirely to the share premium account.

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 and I have not visited the Singapore Branch but the financial statements certified by the management have been considered.
- 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, 2011 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, 2011.
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

for **K.S.REDDY ASSOCIATES**

Chartered Accountants

FRN 009013S

Sd/-

K. SUBBA REDDY (Proprietor)

M. No. 208754

Chennai
12.08.11

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

- i) a . The company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.

b . As explained to me, all the fixed assets have been physically verified by the management during the year.

c . There were no substantial disposals of fixed assets during the year.
- ii) a . The inventory have been physically verified by the management at reasonable intervals and in my opinion the frequency of verification is reasonable.

b . In my opinion and according to the information and explanations given to me, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.

c . The company is maintaining proper records of inventory and the discrepancies between the physical stocks and the book stocks on physical verification and has been properly dealt with in the books of account.
- iii) The company has not granted/taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- iv) In my opinion and according to the information and explanations given to me there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services.
- v) a . According to the information and explanations given to me, I am of the opinion that the particulars of contracts or arrangements need to be entered into the register maintained under section 301 of the Act have been so entered.

b . In my opinion and according to the information and explanations given to me, there are no transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public as per section 58A, 58AA or any other relevant provisions of the Act.
- vii) The company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 for the company.
- ix) a) According to the records, information and explanations provided to me, the company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax and any other statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31, 2011 for a period of more than six months from the date they become payable.

b) According to the information and explanations given to me, there are no dues of sales-tax, income-tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except an appeal filed with the Commissioner of Income-tax, Appeals III in respect of the disallowance of claim under section 35D (issue expenses) of Rs. 4,50,296/- for the assessment year 2004-2005. However, there is no demand of tax.

- x) In my opinion and according to the information and explanations given to me, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses in the immediately preceding financial year.
- xi) Based on my audit procedures and on the information and explanations given by the management, the company has not defaulted in repayment of dues to any financial institution or bank.
- xii) Based on my examination and according to the information and explanations given to me, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit/nidhi/mutual benefit fund/society and clause xiii of the Order is not applicable.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- xv) The guarantees given in connection with the loans taken by the subsidiaries from Banks have been discharged.
- xvi) In my opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that no funds raised on short term have been used for long term investment. No long term funds have been used to finance short term assets.
- xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act.
- xix) The company did not have any outstanding debentures during the year.
- xx) The company has not raised any money by public issue during the year.
- xxi) Based on the audit procedures performed and information and explanations given to me by the management, I report that no fraud on or by the company has been noticed or reported during the course of my audit.

for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 009013S

Sd/-
K. SUBBA REDDY (Proprietor)
M.No.208754

Chennai
12.08.11

BALANCE SHEET AS AT MARCH 31, 2011

Rs. Lacs

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS:			
SHARE HOLDERS' FUNDS			
Share Capital	A	4,509.02	2,923.89
Reserves & Surplus	B	4,506.93	2,017.46
LOAN FUNDS			
Secured Loans	C	375.04	387.34
Unsecured Loans	D	45.83	475.47
Deferred Tax Liability	E	21.62	21.59
Total		9,458.44	5,825.75
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	F	639.15	531.37
Less: Depreciation		150.10	125.54
Net Block		489.05	405.83
INVESTMENTS			
In subsidiary companies - Un quoted	G	2,768.05	3,631.81
Deferred Tax Asset	E	20.84	-
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	H	85.83	16.15
b. Sundry Debtors	I	1,575.51	978.17
c. Cash & Bank Balances	J	2,495.44	908.24
d. Loans & Advances	K	1,909.95	679.16
e. Other Current Assets	L	463.30	
		6,530.03	2,581.72
LESS: CURRENT LIABILITIES			
a. Current Liabilities	M	302.99	666.76
b. Provisions	N	46.54	176.54
Net Current Assets		6,180.50	1,738.42
MISCELLANEOUS EXPENDITURE			
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)	O	-	49.69
		-	49.69
Total		9,458.44	5,825.75
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 Board

Sd/-
K.Chandrasekaran
Director & CEO

Sd/-
K.Shivakumar
Jt. Managing Director

Sd/-
V.Gopal Rao
Director & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 0090135

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 208754

Chennai
12.08.11

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rs. Lacs

	Schedule	2010-2011	2009-2010
INCOME:			
Income from operations	P	2,062.92	1,638.45
Other Income	Q	71.29	20.31
		2,134.21	1,658.76
EXPENDITURE:			
Cost of goods sold/services (COGS)	R	1,068.94	450.83
Employees Cost	S	363.28	190.96
Administrative, Selling & Other Expenses	T	267.24	132.05
Exchange Fluctuation		100.26	133.47
Finance Charges	U	113.03	55.14
Depreciation	F	25.56	23.73
		1,938.31	986.18
Profit for the year before taxation		195.90	672.58
Less: Provision for Taxation		20.84	6.34
Provision for Deferred Tax		0.04	4.60
Adjustment for MAT		(20.84)	
Net Profit for the year		195.86	661.64
Less: Proposed dividend including distribution tax		-	171.05
		195.86	490.59
Balance brought forward from previous year (Loss)		374.85	(115.74)
Balance carried to Balance Sheet		570.71	374.85
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 Board

Sd/-
K.Chandrasekaran
Director & CEO

Sd/-
K.Shivakumar
Jt. Managing Director

Sd/-
V.Gopal Rao
Director & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 009013S

Chennai
12.08.11

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 208754

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

	31.03.2011	31.03.2010
SCHEDULE - A		
SHARE CAPITAL		
Authorised:		
7,00,00,000/7,00,00,000 equity shares of Rs.10/- each	7,000.00	7,000.00
Issued, Subscribed and fully paid up:		
4,50,90,220/2,92,38,890 equity shares of Rs.10/- each fully paid up	4,509.02	2,923.89
SCHEDULE - B		
RESERVES & SURPLUS		
Share Premium Account	3,866.57	1,562.11
Foreign Currency Translation Reserve	69.65	80.50
Profit & Loss Account	570.71	374.85
	4,506.93	2,017.46
SCHEDULE - C		
SECURED LOANS		
a. Union Bank of India	24.28	25.98
b. Union Bank of India - Term Loan	4.43	8.49
c. Axis Bank - CC A/c (refer note h)	346.33	352.87
	375.04	387.34
SCHEDULE - D		
UNSECURED LOANS		
a. Deferred Credits	-	101.17
b. Intercompany Loans	45.83	374.30
	45.83	475.47
SCHEDULE - E		
DEFERRED TAX LIABILITY		
a. Depreciation-Liability	21.62	21.59
	21.62	21.59
DEFERRED TAX ASSET		
a. Minimum Alternate Tax Asset	20.84	-
	20.84	-

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

SCHEDULE – F

Net Block as at 01.04.2010	Particulars	Gross Block as at 01.04.2010	Additions	Deletion	Gross Block as at 31.03.2011	Depreciation			As at 31.03.2011	Net Block as at 31.03.2011
						As at 01.04.2010	For the Year ended	Withdrawn		
2.52	Plant & Machinery	17.57	-		17.57	15.05	0.83		15.88	1.69
2.79	Furniture & Fittings	20.39	69.21	1.58	88.02	17.60	1.57	0.30	18.87	69.15
22.78	Office Equipments	25.23	13.50	7.31	31.42	2.45	1.24	0.70	2.99	28.43
2.56	Electrical Installations	2.83	14.58		17.41	0.27	0.16		0.43	16.98
39.07	Vehicles	47.24	13.53		60.77	8.17	4.88		13.05	47.72
45.05	Computers	113.58	5.70		119.28	68.53	11.24		79.77	39.51
21.23	Software Package	34.70	0.15		34.85	13.47	5.64		19.11	15.74
269.83	Advance for assets	269.83	-		269.83	-	-		-	269.83
405.83		531.37	116.67	8.89	639.15	125.54	25.56	1.00	150.10	489.05

Rs. Lacs

	31.03.2011	31.03.2010
SCHEDULE – G		
INVESTMENTS		
Wholly owned subsidiaries (Unquoted)		
Info-Drive Software Inc., USA (122,500/102,000 shares of \$ 1 each fully paid up)	54.39	55.09
Info-Drive Systems Sdn Bhd., Malaysia (10,00,000 shares of RM 1 each fully paid up)	2185.78	2,194.30
Info-Drive Software Pte Ltd., Singapore (205,600 shares of S \$ 1 each fully paid up)	72.44	66.08
Info-Drive Software Limited, Canada (100 shares of S \$ 0.01 each fully paid up)	0.01	0.01
Infodrive Mauritius Limited -Mauritius (1,00,000 shares of \$ 1 each fully paid up)	44.40	-
Other subsidiaries (Unquoted)		
Info-Drive Software LLC., Dubai (240 shares of Dirhams 1000 each fully paid up)	411.03	416.33
Precision Infomatic (Madras) Private Limited (0/124,900 equity share of Rs.10/- each fully paid up)	-	900.00
	2,768.05	3,631.81
SCHEDULE – H		
INVENTORIES		
Stock of Bharatanatyam CDs	15.23	15.23
Stock in hand at agent	0.92	0.92
W.I.P (Unbilled Revenue)	69.68	
(As Valued and certified by the Management)	85.83	16.15

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

	31.03.2011	31.03.2010
SCHEDULE - I		
SUNDRY DEBTORS		
(Unsecured and considered good)		
a. Debts outstanding for a period exceeding six months	1,241.66	359.69
b. Other debts	333.85	618.48
	1,575.51	978.17
SCHEDULE - J		
CASH & BANK BALANCES		
a. Cash on hand	8.76	2.38
b. Cheques on hand	-	183.64
c. With Banks - in Current Account and Deposit Account	2,486.68	722.22
	2,495.44	908.24
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)	417.88	128.61
b. Staff Advances	0.26	0.88
c. Prepaid Taxes	28.85	13.97
d. Intercompany Loans	1,462.96	535.70
	1,909.95	679.16
SCHEDULE - L		
OTHER CURRENT ASSETS		
a. Other Current Assets	463.30	-
	463.30	-
SCHEDULE - M		
CURRENT LIABILITIES		
Sundry Creditors		
- Trade & Others	269.41	544.37
- Outstanding Liabilities	25.58	117.20
- Unclaimed Dividend	8.00	5.19
	302.99	666.76

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. Lacs

	31.03.2011	31.03.2010
SCHEDULE - N		
PROVISIONS		
- Provision for Taxation including dividend tax	46.54	30.35
- Proposed Dividend	-	146.19
	46.54	176.54
SCHEDULE - O		
MISCELLANEOUS EXPENDITURE		
Issue Expenses	49.69	56.65
Less: Written off during the year	49.69	6.96
	-	49.69

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Rs. Lacs

	2010-2011	2009-2010
SCHEDULE - P		
INCOME FROM OPERATIONS		
Sales and Services	2,062.92	1,638.45
	2,062.92	1,638.45
SCHEDULE - Q		
OTHER INCOME		
Interest Income	71.29	20.31
	71.29	20.31
SCHEDULE - R		
COST OF GOODS SOLD/SERVICES		
Opening Stock	16.15	17.17
Purchase of materials/services	1,138.62	449.81
Less: Closing Stock	85.83	16.15
	1,068.94	450.83
SCHEDULE - S		
EMPLOYEES COST		
Staff Salaries	322.69	174.00
Provident Fund	2.86	3.78
Gratuity	6.31	4.29
Jt Managing Director (JMD) Remuneration	14.50	-
Medical Reimbursement	6.72	5.60
Staff Welfare	10.20	3.29
	363.28	190.96

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Rs. Lacs

	2010-2011	2009-2010
SCHEDULE – T		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Communication Expenses	23.33	12.69
Rent, Rates & Taxes	70.84	31.91
Business Development expenses	29.26	1.28
Travelling & Conveyance	61.62	33.78
General Expenses	5.75	1.51
Printing & Stationery	8.40	6.63
Repairs & Maintenance		
- Vehicle Maintenance	3.20	0.89
- Office Maintenance	11.24	3.03
- Computer Maintenance	3.24	0.69
- Others	6.98	2.97
Professional & Legal Expenses	22.02	21.59
Donations	0.05	-
Electricity Expenses	10.24	4.61
Insurance	1.60	0.67
Issue Expenses written off	-	6.96
Auditors remuneration		
- Statutory Audit	3.00	1.75
- Tax Audit	0.75	0.50
- Others	0.25	0.25
Advertisement	0.48	0.34
Loss on Sale of Asset	2.07	-
Advances- written off	2.92	-
	267.24	132.05
SCHEDULE – U		
FINANCE CHARGES		
Interest & Bank Charges	113.03	55.14

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Rs. Lacs

	2010-2011	2009-2010
Cash flow from operating activities		
Profit before taxes	195.90	672.58
Adjustments for		
Depreciation	25.56	23.73
Interest Income	(71.29)	(20.31)
Miscellaneous Expenses	-	6.96
Loss on Sale of Assets	2.07	-
Interest paid	113.03	55.14
Exchange Fluctuation	100.26	133.47
Operating profit before working capital changes	365.53	871.57
Adjustments for increase/ (-) decrease in		
Sundry Debtors	(597.34)	(35.37)
Loans & Advances	(1,244.10)	(208.49)
Inventories	(69.68)	1.02
Current Liabilities & Provisions	(493.76)	10.74
Cash generated from/(used in) operations	(2,039.35)	639.47
Adjustment for Misc. Exp. written off	-	(5.00)
Exchange Fluctuation	(100.26)	(133.47)
Taxes paid	(23.53)	48.66
Net cash from operating activities	(2,163.14)	549.66
Cash flow from investing activities:		
Investment in Subsidiary Companies	(44.40)	(9.94)
Proceeds from sale of Investments	450.00	-
Purchase/Advance of Fixed Assets	(116.67)	(102.49)
Proceeds from sale/withdrawn of fixed assets	8.89	-
Withdrawal of depreciation	(1.00)	-
Interest Income	71.29	20.31
Interest paid	(113.03)	(55.14)
Net cash flow from/(used in) investing activities	255.08	(147.26)
Cash flow from financing activities:		
Long term borrowings (Net)	(12.30)	349.79
Short term borrowings (Net)	(429.66)	123.73
QIB issue proceeds	3,962.83	-
Issue related expenses	(23.55)	-
Loss on sale of assets	(2.07)	-
Dividend including distribution tax	-	(171.05)
Net cash from financing activities	3,495.25	302.47
Net increase/decrease in cash and cash equivalents	1,587.19	704.87
Cash & Cash equivalents (Opening Balance)	908.24	203.37
Cash & Cash equivalents (Closing Balance)	2,495.44	908.24
Component of Cash and Cash equivalents		
Cash on hand	36.35	2.38
Balance with Banks		
i. Available with the company for day to day operations	2,451.09	900.67
ii. Amount available in unclaimed dividend accounts	8.00	5.19

Notes:

1. Previous year figures have been re-arranged/regrouped wherever necessary.
2. Figures in bracket represents outflow.

For and on behalf of Board

Sd/-

K.Chandrasekaran

Director & CEO

Sd/-

K.Shivakumar

Jt. Managing Director

Sd/-

V.Gopal Rao

Director & Company Secretary

Sd/-

ANL Madhavann

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.

As per my report of even date
for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 0090135

Sd/-

K. SUBBA REDDY (Proprietor)

M. No. 208754

Chennai
12.08.11

SCHEDULE - V

Notes attached to and forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended March 31, 2011.

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.

The value of investments in Info-Drive Software Inc. USA though diminished as on the date of balance sheet, management is confident of augmenting resources against firm orders to mitigate any further erosion and hence carried at cost.

The value of investments in Info-Drive Software Pte Ltd has also diminished; however, as the entity has not begun any commercial operations during the year under review and as the management is confident of firm orders in the current year the same has also been valued at cost.

- Current investments

Info-Drive Software Inc., USA : Nil (Previous year Rs. 9,93,877/-)

Infodrive Mauritius Limited, Mauritius: Rs. 44,40,000/- (Previous year 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.

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 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 earlier 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. Provision for tax has been adequately made for the year under review.

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.

h . Secured Loans

- a. Secured loans include Term Loan and Vehicle Hire-Purchase loan from Union Bank of India which are secured by hypothecation to the bank by way of first charge on all computers, un-interrupted power supply equipments, vehicles and the term loan is further secured by a third party guarantee.
- b. Secured loan from Kotak Mahindra Prime Limited is secured by hypothecation of Volkswagen car.
- c. Secured loans include Working Capital (Cash Credit facility) from Axis Bank Ltd. against bills receivable.

i . Inventories and WIP

Inventories and WIP (unbilled services) are stated at lower of cost and net realisable value. Cost comprises direct costs and those overheads that have been incurred in bringing the inventories and WIP 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.

The company holds CD's amounting to Rs. 15.23 lakhs as part of inventories which is undergoing up-gradation; the company proposes to release a newer version and consequently the written down value (impaired value) as stated could be realised, in the normal course of business.

j . Preliminary and Issue Expenses

The company during the year successfully completed a QIB issue of Rs. 39,62,83,250/- and incurred an expenditure of Rs. 23,55,226/- in connection with this issue and the same has been adjusted against share premium. Further the preliminary expenses of Rs. 49,69,013/- was also fully written off to share premium account.

k . Segment reporting

The company operates only in one segment viz. Information Technology.

l . 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.	Infodrive Mauritius Limited, Mauritius	
7.	Technoprism LLC, USA	Fellow Subsidiary Company (Subsidiary of Info-Drive Software Inc, USA)
8.	Info Drive Technologies Co., Ltd, Thailand	Associate Company (Associate company of Info-Drive Software Pte. Ltd. Singapore)
9.	K. Chandrasekaran	Key Management personnel
10.	K. Shivakumar	
11.	N.T. Shivkumar	

Sl.No.	Nature of Transaction	Name of the related party	31.03.2011 (in Rs.)	31.03.2010 (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 Infodrive Mauritius Limited, Mauritius	54,39,000/- 4,11,03,960/- 72,43,761/- 21,85,78,028/- Nil 46/- 44,40,000/-	55,09,315/- 4,16,32,768/- 66,07,984/- 21,94,30,987/- 9,00,00,000/- 44/- 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 Infodrive Mauritius Limited, Mauritius.	4,51,77,000/- 4,58,02,662/- Nil Nil Nil Nil 63,513/- 3,37,79,520/-	2,34,31,454/- 37,15,353/- 74,57,609/- 73,32,013/- 9,14,312/- 34,25,927/- 39,371/- Nil
3.	Advance taken	Info-Drive Software Pte Ltd., Info-Drive Systems Sdn Bhd.,	18,48,720/- Nil	16,07,000/- 1,30,45,421/-
4.	Sales & Others	Info-Drive Software Inc., Info-Drive Software LLC.,	56,40,226/- 2,84,49,700/-	82,63,335/- 1,87,30,319/-
5.	Purchase & Others	Info-Drive Software LLC.,	Nil	94,48,788/-

Sl.No.	Nature of Transaction	Name of the related party	31.03.2011 (in Rs.)	31.03.2010 (in Rs.)
6.	Interest received	Precision Infomatic (M) Pvt. Ltd.,	7,37,964/-	5,82,818/-
		Precision Techserve Pvt. Ltd.,	Nil	4,98,631/-
		Legend Systems Pvt. Ltd.,	Nil	3,34,280/-
7.	Guarantee given (SBLC/BG of Axis)	Info-Drive Software Pte. Ltd.	12,73,22,485/-	Nil
8.	Commission paid	Info-Drive Software LLC.,	Nil	24,597/-
9.	Dividend paid	K. Chandrasekaran	7,53,177/-	7,30,450/-
		N.T. Shivkumar	3,00,000/-	1,75,000/-
		K. Shivakumar	2,97,045/-	2,29,545/-
10.	Remuneration	K. Shivakumar	14,50,000/-	Nil

The company has divested its investments in Precision Infomatic (Madras) Private Limited and a portion has been realised during the year. Balance has been agreed upon to be settled by end March 2012.

m . Foreign Currency Translation Reserve

Exchange differences on account of fluctuations in foreign currency rates are treated as under:

- Exchange difference gain/(loss) recognised in the Profit and Loss Account relating to exports/services during the year.
- Exchange difference gain/(loss) recognised in the Balance Sheet relating to investments as Foreign Currency Translation Reserve.

n . Managerial Remuneration

	2011	2010
Remuneration (Incl. arrears)	14,50,000	Nil

o . Auditors Remuneration

	2011	2010
As auditors	3,00,000/-	1,50,000/-
As tax auditors	75,000/-	75,000/-
For other services	25,000/-	25,000/-

p . Contingent Liabilities

Stand By Letter of Credit (SBLC)/Bank Guarantee (BG) is issued by Axis Bank favouring EFG Bank AG, Singapore, in favour of the beneficiary being Info-Drive Software Pte. Ltd., wholly owned subsidiary in Singapore amounting to Rs. 1,370 lakhs (USD 3 Million) against fully secured cash margin deposits with Axis Bank Rs. 1,370 lakhs for a period of one year ending 22.02.2012. (Previous year – Nil).

q . Due to SSI's

As at March 31, 2011 the company has no outstanding dues to Micro Enterprises, Small Enterprises and Small Scale Industrial Undertakings.

r . Foreign Currency Transactions

Monetary current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of balance sheet.

Rs. Lacs

	2011	2010
Earnings in Foreign Currency	635.78	735.34
Expenditure in Foreign Currency	395.11	303.64
Investment in Foreign Currency	45.76	9.94
Remittance in Foreign Currency (Purchase of shares payable)	102.49	201.22
Remittance in Foreign Currency for Dividend	6.5	13.75

s . Unclaimed Dividend

For the past three financial years the total unclaimed dividends amounted to Rs. 8,00,398/- comprising of Rs. 282,299/- (2007-2008), Rs. 236,494/- (2008-2009) and Rs. 2,80,605/- (2009-2010) respectively.

t . Confirmations from Sundry Debtors, Creditors, Loans and Advances

Confirmation of balances from Sundry Debtors, Creditors and loans and advances are yet to be received in some cases though the company has sent letters for confirmation by them. The balances adopted are as appearing in the books of accounts of the Company.

- u .** Pursuant to the resolutions passed at the meeting of the Board of Directors held on November 11, 2010, 1,58,51,330 equity shares of face value of Rs.10/- each have been allotted to Qualified Institutional Buyers (QIB) at a premium of Rs.15/- per share on November 11, 2010 aggregating to Rs. 39,62,83,250/-.

v . Earnings Per Share

In determining the earnings per share, the company considers the net profit after tax and extraordinary items.

Particulars	31.03.2011	31.03.2010
Profit after tax and extraordinary items	Rs. 1,95,86,226/-	Rs. 6,61,64,125/-
No. of equity shares outstanding during the year	4,50,90,220	2,92,38,890
Basic & Diluted Earnings Per Share	Re.0.43	Rs.2.26

w . Quantitative information

The Company is engaged in computer software, dealing with computers, 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:

Computers, Peripherals and others	Op.Stock	Purchases	Sales	Cl.Stock
- Quantity (Nos) *	1466	197	197	1466
- Value (in lacs)	16.15	345.04	540.39	16.15

* The above quantity numbers does not include the purchases and sales effected at Branch Office.

- x .** The figures for the current year and previous year have been rounded off to the nearest lac.

- y .** Previous year figures have been rearranged or regrouped wherever necessary to conform to current year's classification.

For and on behalf of Board

Sd/-
K.Chandrasekaran
Director & CEO

Sd/-
K.Shivakumar
Jt. Managing Director

Sd/-
V.Gopal Rao
Director & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 0090135

Chennai
12.08.11

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 208754

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration Details

Registration No.	:	15475	State Code	:	18
Balance Sheet Date	:	31 – 03 – 2011			

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

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement (QIP)	:	396,283

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

Total Liabilities	:	945,844	Total Assets	:	945,844
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Sources of Funds

Paid up Capital	:	450,902
Reserves & Surplus	:	450,693
Secured Loans	:	37,504
Unsecured Loans	:	4,583
Deferred tax liability	:	2,162

Application of Funds

Net Fixed Assets	:	48,905
Investments	:	276,805
Deferred Tax Asset	:	2,084
Net Current Assets	:	618,050

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

Turnover	:	213,421	Total Expenditure	:	193,831
Profit before tax	:	19,590	Profit After Tax	:	19,586
Earnings per Share in Rs.	:	0.43	Dividend rate %	:	Nil

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

Item Code	:	85241000
Product Description	:	Software

For and on behalf of Board

Sd/-
K.Chandrasekaran
Director & CEO

Sd/-
K.Shivakumar
Jt. Managing Director

Sd/-
V.Gopal Rao
Director & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
for K.S. REDDY ASSOCIATES
Chartered Accountants
FRN 009013S

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 20875

Chennai
12.08.11

AUDITORS' REPORT

To the Board of Directors of INFO-DRIVE SOFTWARE LIMITED

1. I have audited the attached Consolidated Balance Sheet of INFO-DRIVE SOFTWARE LIMITED, and its subsidiaries as at March 31, 2011 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.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. I did not audit the financial statements of 4 subsidiaries whose financial statements reflect total assets Rs. 6,023.31 lakhs as at March 31, 2011, total revenues of Rs. 5,436.44 lakhs and cash inflows amounting to Rs. 2,563.24 lakhs for the year ended on that date (before adjustments on consolidation). 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.
4. I did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets Rs. 2,575.21 lakhs as at March 31, 2011, total revenues of Rs. 0.60 lacs (commercial operations yet to commence) and cash inflows amounting to Rs. 158.64 lakhs for the year ended on that date and I have not visited the Branch at Singapore. These financial statements and other financial informations including revenues of Rs. 5,717.99 lakhs of an entity in which significant influence was exercised by the management, have been incorporated in the consolidated financial statements of the group based on un-audited financial statements as provided by the management of the Company as audited financial statements of these entities as at March 31, 2011 were not available.
5. As reported in the audit report of Info-Drive Software Inc., USA the financial statements of Technoprism LLC being the subsidiary company of the afore stated company are not made available and hence not included in the consolidated financial statements. In the absence of any financial information non provision for diminution in value of investments if any, the auditors are unable to quantify the effect of such non provision on the value of investments and the net worth of that company.
6. Without qualifying my opinion, I draw attention to Note aa of Schedule V of the consolidated financial statements for the year ended March 31, 2011 in connection with carrying value of net assets as regards investment in Info-Drive Software Inc, USA and Info-Drive Software Pte. Ltd., Singapore. Though these two entities have been incurring losses since the commencement of commercial operations based on management's internal assessment, the management is of the view that the carrying value of the net assets as regards to investments in Info-Drive Software Inc and Info-Drive Software Pte. Ltd., are appropriate.
7. 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.
8. 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 Group as at March 31, 2011;
 - ii) in the case of the Consolidated Profit and Loss Account of the profit of the Group for the year ended on that date; and
 - iii) in the case of Consolidated Cash Flow Statement of the cash flows of the Group for the year ended on that date.

for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 009013S

Sd/-
K. SUBBA REDDY (Proprietor)
M.No.208754

Chennai
12.08.11

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Rs. Lacs

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS:			
SHARE HOLDERS' FUNDS			
Share Capital	A	4,509.02	2,923.89
Advance towards Share Capital		-	55.13
Reserves & Surplus	B	6,152.89	4,419.25
LOAN FUNDS			
Secured Loans	C	1,871.97	2,383.56
Unsecured Loans	D	3,278.29	4,130.14
Minority Interest		326.25	42.03
Deferred Tax Liability	E	21.62	48.68
Total		16,160.04	14,002.68
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	F	1,074.86	2,303.04
Less: Depreciation		357.86	910.47
Net Block		717.00	1,392.57
Goodwill (on consolidation)		2,349.58	5,537.15
INVESTMENTS			
In Mutual Funds & Others	G	2,268.85	25.00
Deferred Tax Asset	E	20.84	-
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	H	85.83	370.83
b. Sundry Debtors	I	7,613.69	7,269.36
c. Cash & Bank Balances	J	2,721.88	2,412.01
d. Loans & Advances	K	3,903.63	885.10
e. Other Current Assets	L	463.30	803.41
		14,788.33	11,740.71
LESS: CURRENT LIABILITIES			
a. Current Liabilities	M	3,741.95	4,317.04
b. Provisions	N	244.77	448.62
Net Current Assets		10,801.61	6,975.05
MISCELLANEOUS EXPENDITURE			
Preliminary & Issue Expenses (to the extent neither written off nor adjusted)	O	2.16	72.91
		2.16	72.91
		16,160.04	14,002.68
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 Board

Sd/-
K.Chandrasekaran
Director & CEO

Sd/-
K.Shivakumar
Jt. Managing Director

Sd/-
V.Gopal Rao
Director & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 0090135

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 208754

Chennai
12.08.11

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rs. Lacs

	Schedule	2010-2011	2009-2010
INCOME:			
Income from operations	P	12,819.54	21,336.79
Other Income	Q	128.81	54.46
		12,948.35	21,391.25
EXPENDITURE:			
Cost of goods sold/services (COGS)	R	9,498.46	15,798.83
Employees Cost	S	1,332.75	2,669.05
Administrative, Selling & Other Expenses	T	760.91	1,168.21
Finance Charges	U	454.73	361.43
Exchange Fluctuation		107.06	138.40
Depreciation	F	94.19	227.86
		12,248.10	20,363.78
Profit for the year before taxation		700.25	1,027.47
Less: Provision for Taxation		30.95	113.74
Provision for Deferred Tax		0.04	18.81
Adjustment for MAT		(20.84)	
		690.10	894.92
Add: Prior Period items		-	19.19
		690.10	914.11
Less: Minority Interest		111.29	-
		578.81	914.11
Less: Proposed dividend including distribution tax		-	171.05
Balance carried to Balance Sheet		578.81	743.06
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 Board

Sd/-
K.Chandrasekaran
Director & CEO

Sd/-
K.Shivakumar
Jt. Managing Director

Sd/-
V.Gopal Rao
Director & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
for **K.S. REDDY ASSOCIATES**

Chartered Accountants
FRN 009013S

Chennai
12.08.11

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 208754

SCHEDULES FROMING PART OF CONSOLIDATED BALANCE SHEET

Rs. Lacs

	As at 31.03.2011	as at 31.03.2010
SCHEDULE - A		
SHARE CAPITAL		
Authorised:		
7,00,00,000/7,00,00,000 equity shares of Rs.10/- each	7,000.00	7,000.00
Issued, Subscribed and Paid up:		
4,50,90,220/2,92,38,890 equity shares of Rs.10/- each fully paid up	4,509.02	2,923.89
SCHEDULE - B		
RESERVES & SURPLUS		
Share Premium Account	3,866.58	1,562.11
Opening Balance	1,707.50	2,114.08
Add: Profit for the year	578.81	743.06
	6,152.89	4,419.25
SCHEDULE - C		
SECURED LOANS		
From Banks & Financial Institutions	1,871.97	2,383.56
	1,871.97	2,383.56
SCHEDULE - D		
UNSECURED LOANS		
a. Loans from others	1,650.54	2,621.99
b. Optionally Convertible Debentures	-	27.56
c. Loans from directors	62.67	58.87
d. Deferred Credits	1,565.08	1,421.72
	3,278.29	4,130.14
SCHEDULE - E		
DEFERRED TAX LIABILITY		
a. Depreciation-Liability	21.62	48.68
	21.62	48.68
DEFERRED TAX ASSET		
a. Minimum Alternate Tax Asset	20.84	-
	20.84	-

SCHEDULES FROMING PART OF CONSOLIDATED BALANCE SHEET

Rs. Lacs

SCHEDULE - F

Net Block as at 01.04.2010	Particulars	Gross Block as at 01.04.2010	Additions	Deletion	Translation Exchange Difference	Gross Block as at 31.03.2011	Depreciation					Net Block as at 31.03.2011
							As at 01.04.2010	For the year ended	Withdrawn	Exchange Difference	As at 31.03.2011	
2.52	Plant & Machinery	17.57	-	-	-	17.57	15.05	0.83	-	-	15.88	1.69
17.01	Furniture & Fittings	78.91	69.20	1.58	4.52	151.06	61.90	16.56	0.30	3.45	81.61	69.45
29.41	Office Equipments	57.71	13.50	7.31	2.06	65.96	28.30	7.00	0.70	1.80	36.40	29.56
2.56	Electrical Installations	2.83	14.58	-	-	17.41	0.27	0.16	-	-	0.43	16.98
197.77	Buildings	212.62	-	-	16.58	229.20	14.85	5.34	-	1.16	21.35	207.85
41.21	Vehicles	89.99	30.07	-	3.33	123.39	48.77	7.29	-	3.21	59.27	64.12
46.87	Systems	118.90	6.59	-	(0.07)	125.42	72.03	12.80	-	(0.04)	84.79	40.63
22.80	Software Package	74.73	0.15	-	0.15	75.03	13.89	44.21	-	0.03	58.13	16.90
269.82	Advance for Assets	269.82	-	-	-	269.82	-	-	-	-	-	269.82
629.97		923.08	134.09	8.89	26.57	1,074.86	255.06	94.19	1.00	9.61	357.86	717.00

Rs. Lacs

	31.03.2011	31.03.2010
SCHEDULE - G		
INVESTMENTS		
Investments in Mutual Funds	-	25.00
Investments in Subsidiaries	2,268.85	-
	2,268.85	25.00
SCHEDULE - H		
INVENTORIES		
Closing Stock	15.23	369.90
Stock in hand at agent	0.92	0.93
W.I.P (Unbilled Revenue)	69.68	
(As Valued and certified by the Management)	85.83	370.83
SCHEDULE - I		
SUNDRY DEBTORS		
(Unsecured and considered good)		
a. Debts outstanding for a period exceeding six months	3,419.34	2,259.20
b. Other debts	4,194.35	5,010.16
	7,613.69	7,269.36

SCHEDULES FROMING PART OF CONSOLIDATED BALANCE SHEET

Rs. Lacs

	31.03.2011	31.03.2010
SCHEDULE - J		
CASH & BANK BALANCES		
a. Cash on hand	10.84	11.65
b. Cheques on hand	-	183.64
c. With Banks - in Current Account	224.70	1,679.29
- in Deposit Account	2,486.34	537.43
	2,721.88	2,412.01
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)	1,481.56	756.43
b. Staff Advances	1.76	6.52
c. Prepaid Taxes	28.85	13.98
d. Intercompany Loans	2,391.46	108.17
	3,903.63	885.10
SCHEDULE - L		
OTHER CURRENT ASSETS		
a. Deposit-Earnest Money & Others	-	803.41
b. Other assets	463.30	-
	463.30	803.41
SCHEDULE - M		
CURRENT LIABILITIES		
Sundry Creditors		
- Trade & Others	3,694.59	3,276.43
- Outstanding Liabilities	34.04	730.14
- Unclaimed dividend	8.00	5.19
- Other Liabilities	5.32	305.28
	3,741.95	4,317.04
SCHEDULE - N		
PROVISIONS		
- Provision for Taxation including dividend tax	244.77	302.43
- Proposed Dividend	-	146.19
	244.77	448.62

SCHEDULES FROMING PART OF CONSOLIDATED BALANCE SHEET

Rs. Lacs

	31.03.2011	31.03.2010
SCHEDULE - 0		
MISCELLANEOUS EXPENDITURE		
Issue Expenses	52.16	80.17
Less: Written off during the year	0.31	7.26
Transferred to Share Premium Account	49.69	-
	2.16	72.91

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

Rs. Lacs

	2010-2011	2009-2010
SCHEDULE - P		
INCOME FROM OPERATIONS		
Sales & Services	12,819.54	21,336.79
	12,819.54	21,336.79
SCHEDULE - Q		
OTHER INCOME		
Interest Income	90.29	6.60
Other Income	38.52	26.96
Profit on sale of assets	-	20.90
	128.81	54.46
SCHEDULE - R		
INCREASE/DECREASE IN STOCK		
Opening Stock	320.75	495.47
Purchases/Services	9,685.90	15,674.18
Less: Closing Stock	508.19	370.82
	9,498.46	15,798.83
SCHEDULE - S		
EMPLOYEES COST		
Salaries & Wages	1,216.76	2,460.67
Managerial Remuneration	69.62	-
Employer's Contribution to PF, ESI	22.56	150.36
Staff Welfare and recruitment	23.81	58.02
	1,332.75	2,669.05

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

Rs. Lacs

	2010-2011	2009-2010
SCHEDULE - T		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Communication Expenses	71.16	133.34
Rent, Rates & Taxes	155.99	285.91
Business Development expenses	72.55	78.42
Travelling & Conveyance	162.42	265.51
General Expenses	14.33	34.58
Printing & Stationery	11.26	22.36
Repairs & Maintenance		
- Vehicle Maintenance	5.93	7.09
- Office Maintenance	32.23	65.36
- Computer maintenance	3.24	0.69
- Others	6.98	28.41
Professional & Legal Expenses	84.55	51.79
Donations	0.08	-
Electricity Expenses	26.69	58.99
Insurance	26.32	22.61
Issue Expenses written off	0.88	7.26
Audit Fees	7.98	14.63
Advertisement	0.70	4.29
Transportation & Freight	-	35.66
Bad debts written off	75.55	49.24
Loss on sale of assets	2.07	2.07
	760.91	1,168.21
SCHEDULE - U		
FINANCE CHARGES		
Interest & Bank Charges	454.73	361.43
	454.73	361.43

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Rs. Lacs

	2010-2011	2009-2010
Cash flow from operating activities		
Net Profit before tax	700.25	1,027.47
Adjustments for		
Depreciation	94.19	227.86
Miscellaneous expenses written off	0.88	7.26
Interest Income	(90.29)	(6.60)
Profit on sale of assets	-	(20.90)
Loss on sale of assets	2.07	2.07
Other income	(38.52)	(26.96)
Interest paid	454.73	361.43
Exchange fluctuation	107.06	138.40
Prior Period item	-	19.19
Operating profit before working capital changes	1,230.37	1,729.22
Adjustments for increase/ (-) decrease in		
Receivables	(344.34)	(1,856.49)
Loans, advances, other current assets	(2,228.75)	(271.75)
Inventories	284.99	124.64
Trade payables/provisions	(778.93)	1,165.50
Cash generated from/(used in) operations	(1,836.66)	891.12
Adjustments for Misc. Exp. Written off	(0.88)	(4.33)
Interest Income	90.29	6.60
Exchange fluctuation	(107.06)	(138.40)
Foreign Currency Translation Reserve	(237.69)	200.00
Other income	38.52	26.96
Taxes paid	(30.98)	(56.60)
Net cash from operating activities	A	925.35
Cash flow from investing activities:		
Investment in Subsidiary/Associate Companies	(48.85)	-
Proceeds from sale of Investments	450.00	-
Purchase/advance of Fixed Assets	(134.09)	(245.20)
Sale/withdrawal of Fixed Assets	8.89	163.50
Withdrawal of depreciation	(1.00)	(109.22)
Investment in mutual funds	-	(14.50)
Net cash flow from/(used in) investing activities	B	(205.42)
Cash flow from financing activities:		
Long term borrowings (Net)	(511.59)	434.55
Short term borrowings (Net)	(851.51)	1,154.33
Share Issue	3,962.83	9.94
Issue related expenses	(23.55)	-
Dividend including Distribution tax	-	(171.05)
Profit on sale of assets	-	20.90
Loss on sale of assets	(2.07)	(2.07)
Interest paid	(454.73)	(361.43)
Net cash from financing activities	C	1,085.17
Net increase/decrease in cash and cash equivalents	309.87	1,805.10
Cash & Cash equivalents (Opening Balance)	2,412.01	606.91
Cash & Cash equivalents (Closing Balance)	2,721.88	2,412.01

Notes:

1. Previous year figures have been re-arranged/regrouped wherever necessary.
2. Figures in bracket represents outflow.

For and on behalf of Board

Sd/-

K.Chandrasekaran
Director & CEO

Sd/-

K.Shivakumar
Jt. Managing Director

Sd/-

V.Gopal Rao
Director & Company Secretary

Sd/-

ANL Madhavann
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.

As per my report of even date
for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 0090135

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 208754

Chennai
12.08.11

SCHEDULE - V

1. GENERAL INFORMATION

Info-Drive Software Limited (the Company) is a juristic person under the Companies Act, 1956. The address of its Registered Office and principal place of business is Buhari Buildings, No. 3, Moores Road, Chennai 600 006. The principal activities of the Company and its subsidiaries (the Group) are computer software, business process outsourcing (BPO), hardware and software consultancy services.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the provisions of the Companies Act, 1956 and on the going-concern basis.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard on Consolidated Financial Statements issued by the ICAI.

a . Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the holding company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets on consolidation are disclosed separately in the Balance Sheet.

b . Business Combinations

The acquisition of subsidiaries have been based on the cost that are measured at the aggregate of the fair values on the date of exchange of assets given, liabilities incurred or assumed, plus any costs directly attributable to the business combination. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

c . Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries and is recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The exchange translations and fluctuations arising on consolidation are adjusted against Goodwill.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating divisions expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested

for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

d . Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

Revenues from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.

e . Software Services

Where the outcome of a turnkey contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

f . Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Currency Units, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising if any on the retranslation of non-monetary items when carried at fair value would be included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Currency Units using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the closing exchange rates for the year.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

g . Retirement Benefits

Short term employee benefits are measured at cost.

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

h . Taxation**Income Tax**

Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit, and 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

i . Property, Plant and Equipment

Plant and Machinery, Fixtures and equipment are stated at carrying amounts less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

j . Patents and trademarks

There are no patents and trademarks owned by the company.

k . Impairment of Tangible and Intangible Assets Excluding Goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

l . Inventories and WIP (Unbilled Services)

Inventories and WIP (Unbilled Services) 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.

The company holds CD's amounting to Rs.15.23 lakhs as part of inventories which is undergoing up-gradation; the company proposes to release a newer version and consequently the written down value (impaired value) as stated could be realised, in the normal course of business.

m . Financial Instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

n . Trade Receivables

Trade receivables are measured at initial recognition cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. No interest is charged on trade receivables till the date of recovery. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

o . Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

p . Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

q . Trade Payables

Trade payables are initially measured at fair value.

r . Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

s . Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

t . Share-Based Payments

The Group has not issued any equity-settled and cash-settled share-based payments to any employee.

u . 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. 23.50 Crores (Rs. 55.37 Crores). No impairment has been recognised in view of estimated future cash flows from the activities to which the goodwill has been allocated.

v . Reconciliation of Balances between Subsidiaries

Reconciliation of balances between subsidiaries is under final stages of completion.

w . Debtors, Loans & Advances

Confirmation of balances from Debtors, Creditors and for Loans and Advances are yet to be received in some cases though the company has sent letter of confirmation to them. The balances adopted are as appearing in the books of accounts of the company.

x . 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.

y . 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. An allowance for impairment is made where there is an identified loss or 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.

z . Minority Interest

Minority interest is that part of the net profit attributable to third party ownership interests in the company's subsidiaries. The step subsidiaries' minority interest has been reclassified / adjusted against other subsidiaries' minority interest wherever necessary.

aa . Investments

The value of investments in Info-Drive Software Inc. USA though diminished as on the date of balance sheet, management is confident of augmenting resources against firm orders to mitigate any further erosion and hence carried at cost.

The value of investments in Info-Drive Software Pte Ltd has also diminished; however, as the entity has not began any commercial operations during the year under review and as the management is confident of firm orders in the current year the same has also been valued at cost.

3. BUSINESS SEGMENT

The Company operates in only one segment viz Information Technology.

4. INCOME TAX EXPENSES

Domestic Income tax is to be calculated at the effective rate applicable on the assessable profit for the year. Provision for tax has been adequately made for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary equity holders of the parent entity is based on the following data.

Earnings figures are calculated as follows:

	Year ended 31.03.2011	Year ended 31.03.2010
Profit for the year attributable to equity holders of the parent	Rs.578.81 Lacs	Rs.914.11 Lacs
Number of shares	4,50,90,220	2,92,38,890
Earnings per share before extraordinary item	Rs.1.28	Rs.3.13
Earnings per share after extraordinary items	Rs.1.28	Rs.3.13

6. SUBSIDIARIES AND ASSOCIATES

Details of the Company's subsidiaries as at March 31, 2011 are as follows:

Name of the Subsidiary	Place of Incorporation & Operation	Proportion of ownership & interest	Type of business
Infodrive Mauritius Limited, Mauritius	Mauritius	100%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Systems Sdn Bhd.	Malaysia	100%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Software Inc.	USA	100%	IT Consulting, Software Development, Hardware, System Integration and BPO Services
Info -Drive Software Pte Ltd.	Singapore	100%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Software LLC	Dubai	80%	IT Consulting, Software Development, hardware and System Integration
Info-Drive Software Limited	Canada	100%	IT Consulting, Software Development, Hardware, System Integration and BPO Services
Technoprism LLC, USA (Subsidiary Company of Info-Drive Software Inc, USA)	USA	51%	IT Consulting, Software Development, Hardware, System Integration and BPO Services
Info Drive Technologies Co., Ltd, Bangkok, Thailand (Associate company of Info-Drive Software Pte. Ltd. Singapore)	Bangkok	30%	IT Consulting, Software Development, Hardware, System Integration and BPO Services

- The company has divested its investments in Precision Infomatic (Madras) Private Limited and a portion has been realised during the year. Balance has been agreed upon to be settled by end March 2012.
- As at March 31, 2011 Info-Drive Software Pte. Ltd., Singapore has invested up to 30% equity in ordinary shares Info-Drive Technologies Co., Limited, Bangkok, Thailand (Associate Company). As the associate company has not commenced its commercial operations, no financial statements are incorporated in the consolidated financials for the year under review.

7. TRADE AND OTHER PAYABLES

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables approximates their fair value.

8. CONTINGENT LIABILITIES

1. Stand By Letter of Credit (SBLC)/Bank Guarantee (BG) is issued by Axis Bank favouring EFG Bank AG, Singapore, in favour of the beneficiary being Info-Drive Software Pte. Ltd., wholly owned subsidiary in Singapore amounting to Rs. 1,370 lakhs (USD 3 Million) against fully secured cash margin deposits with Axis Bank Rs. 1,370 lakhs for a period of one year ending February 22, 2012 (March 31, 2010 Rs. 327 lakhs).
2. Bills discounting with Company's bankers Rs. Nil (Rs. 486 lakhs on March 31, 2010).

9. SHARE-BASED PAYMENTS

Equity-settled share option scheme.

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

10. RELATED PARTY TRANSACTIONS

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

11. RECLASSIFICATION AND REGROUPING OF ACCOUNTS

Certain accounts in the financial statements for the year ended March 31, 2010 have been reclassified and regrouped to conform to the presentation in the financial statements for the year ended March 31, 2011.

12. APPROVAL OF FINANCIAL STATEMENTS

The present financial statements drawn in accordance with Generally Accepted Accounting Principles in India were approved by the Board of Directors and authorised for issue on August 12, 2011.

For and on behalf of Board

Sd/-
K.Chandrasekaran
Director & CEO

Sd/-
K.Shivakumar
Jt. Managing Director

Sd/-
V.Gopal Rao
Director & Company Secretary

Sd/-
ANL Madhavann
Chief Financial Officer

As per my report of even date
for **K.S. REDDY ASSOCIATES**
Chartered Accountants
FRN 0090135

Chennai
12.08.11

Sd/-
K. SUBBA REDDY (Proprietor)
M. No. 208754

Statement pursuant to Ministry of Corporate Affairs exemption approval under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

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	Infodrive Mauritius Limited	USD	44.40	44.40	(1.22)	1,268.95	1,225.77	-	-	(1.22)	-	(1.22)	-	Mauritius
2	Info Drive Systems Sdn Bhd	RM	14.86	148.60	706.54	1,124.50	269.36	-	564.45	31.17	10.10	21.07	-	Malaysia
3	Info Drive Software LLC	AED	12.08	36.24	1,276.20	2,140.53	828.09	-	4,795.22	686.47	-	686.47	-	Dubai
4	Info Drive Software Inc.	USD	44.40	54.39	(224.69)	2,756.35	2,926.65	-	76.77	(163.47)	-	(163.47)	-	USA
5	Info Drive Software Pte Ltd	S\$	35.23	72.43	(39.31)	1,306.26	1,273.14	-	0.60	(21.82)	-	(21.82)	-	Singapore
6	Info-Drive Software Limited	CAN \$	45.69	0.01	(1.93)	1.94	3.86	-	-	(0.77)	-	(0.77)	-	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 March 31, 2011.

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INFO-DRIVE SOFTWARE LIMITED
Regd. Office: No.3, Moores Road, 'Buhari Building', Second Floor,
Chennai - 600 006, India

ATTENDANCE SLIP
Twenty Third 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 Third Annual General Meeting** of the Company held at the "Mini Hall", Narada Gana Sabha, New No. 314 (Old No. 254), TTK Road, Alwarpet, Chennai - 600 018, India, at 10.15 a.m. on Friday, the September 30, 2011.

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

Member's/Proxy's Signature

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



INFO-DRIVE SOFTWARE LIMITED
Regd. Office: No.3, Moores Road, 'Buhari Building', Second Floor,
Chennai - 600 006, India

PROXY FORM
Twenty Third 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 Third Annual General Meeting** of the Company on **Friday, the September 30, 2011**
and at any adjournment thereof.

Signed this day of day of 2011.

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.



22nd Annual General Meeting

30th September - 2010



22nd AGM

10.30 am, Thursday, September 30, 2010
"Mini Hall", Narada Gana Sabha, TTK Road, Alwarpet, Chennai - 600018, India.

www.infodriveservices.com
info@infodriveservices.com



Registered Office
Info-Drive Software Limited, Buhari Buildings, Second Floor,
No. 3, Moores Road, Chennai - 600 006, India