

**FORM A**

Format of covering letter of the annual audit report to be filed with the  
 Stock Exchanges

|   |                                                |                                                                                                                                                                                                                                                                                                   |
|---|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Name of the company                            | Info-Drive Software Limited                                                                                                                                                                                                                                                                       |
| 2 | Annual financial statements for the year ended | March 31, 2014                                                                                                                                                                                                                                                                                    |
| 3 | Type of Audit observation                      | Matter of Emphasis                                                                                                                                                                                                                                                                                |
| 4 | Frequency of qualification                     | Appeared First Time                                                                                                                                                                                                                                                                               |
| 5 | To be signed by-                               |                                                                                                                                                                                                                                                                                                   |
|   | CFO                                            | For Info-Drive Software Limited<br><br>ANL Madhavann<br>Director Finance and Projects<br>                                   |
|   | CEO/Managing Director                          | For Info-Drive Software Limited<br><br>A. S. Giridhar<br>Manager<br>                                                     |
|   | Auditor of the company                         | For K.S. REDDY ASSOCIATES<br>Chartered Accountants<br>FRN: 009013S<br><br>K. Subba Reddy (Proprietor)<br>M.No.208754<br> |
|   | Audit Committee Chairman                       | For Info-Drive Software Limited<br><br>V N Seshagiri Rao<br>Chairman- Audit Committee<br>                                |

**Infodrive\***  
CREATING VALUE

2013 - 14



\* **26<sup>th</sup> Annual Report**

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# CORPORATE INFORMATION

|                                                      |                                       |                                                                                                                                                                                                                        |
|------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Board of Directors</b>                            | Mr. V. N. Seshagiri Rao               | Independent Director                                                                                                                                                                                                   |
|                                                      | Mr. K. Chandrasekaran                 | Director<br>up to 13.05.2014                                                                                                                                                                                           |
|                                                      | Mr. ANL Madhavann                     | Director                                                                                                                                                                                                               |
|                                                      | Mr. N. Viswanathan                    | Independent Director<br>up to 11.07.2014                                                                                                                                                                               |
|                                                      | Mr. Jaffer Sadiq Ameer                | Independent Director                                                                                                                                                                                                   |
|                                                      | Mr. Pramod Manoharlal Jain            | Independent Director                                                                                                                                                                                                   |
| <b>Company Secretary</b>                             | Mr. Ajay K Mehta                      | FCA, FCS                                                                                                                                                                                                               |
| <b>Manager</b>                                       | Mr. A. S. Giridhar                    |                                                                                                                                                                                                                        |
| <b>Auditors</b>                                      | M/s. K. S. Reddy Associates           | No.201 (Old No.75/2), First Floor<br>Chartered Accountant<br>Habibullah Road, T. Nagar<br>Chennai - 600 017, India<br>Mobile: +91 - 94444 04761                                                                        |
| <b>Bankers</b>                                       | Axis Bank Ltd.<br>State Bank of India |                                                                                                                                                                                                                        |
| <b>Depository Services<br/>Share Transfer Agents</b> | Cameo Corporate Services<br>Limited   | "Subramanian Building"<br>No. 1, Club House Road<br>Chennai - 600 002, India<br>Tel.: +91 - 44 - 2846 0390<br>Fax: +91 - 44 - 2846 0129                                                                                |
| <b>Registered Office</b>                             | Info-Drive Software Limited           | Buhari Buildings, Second Floor<br>No. 3, Moores Road<br>Chennai - 600 006,<br>India Tel.: +91 - 44 - 2821 2368<br>Fax: +91 - 44 - 2821 2609<br>Website:www.infodriveservices.com<br>E-mail: info@infodriveservices.com |

# NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of Info-Drive Software Limited will be held on Tuesday, September 30, 2014 at 10.15 a.m. at The Mylapore Club, No. 39, Luz Church Road, Mylapore, Chennai-600004 to transact the following business:

## AGENDA

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Directors' Report and the Auditor's Report thereon.
2. To appoint a Director in place of Mr. ANL Madhavann (DIN: 03551989), who retires by rotation. Mr. ANL Madhavann is eligible for re-appointment.
3. To appoint Auditors for the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 29th Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration to be fixed by the Board of Directors of the Company. M/s. K.S. Reddy Associates, Chartered Accountants (FRN. 009013S), Chennai, who are presently the Auditors are eligible for reappointment and expressed their willingness to be appointed as the Auditors of the Company.

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pramod Manoharlal Jain (DIN: 02711188 ), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 13, 2014, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2019, subject to Mr. Pramod Manoharlal Jain satisfying the criteria of independence in terms of the Companies Act 2013, Rules made there under and the Listing Agreement, and shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. V N Seshagiri Rao (DIN: 00338930), who was appointed as a Director liable to retire by rotation, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2019, subject to Mr. V N Seshagiri Rao satisfying the criteria of independence in terms of the Companies Act 2013, Rules made there under and the Listing Agreement, and shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jaffer Sadiq Ameer (DIN: 06523268), who was appointed as a Director liable to retire by rotation, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2019, subject to Mr. Jaffer Sadiq Ameer satisfying the criteria of independence in terms of the Companies Act 2013, Rules made there under and the Listing Agreement, and shall not be liable to retire by rotation."

**7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 143 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors be and is hereby authorised to appoint Branch Auditor(s) of any Branch office(s) of the company, whether existing or may be opened hereafter in India or abroad, any person(s) qualified to act as Branch Auditor (s) within the provisions of Section 143 of the said Act and to fix their remuneration."

**8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 197, 203, and all other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the appointment of Mr. A S Giridhar, as the Manager of the Company within the meaning of Section 2(53) of the said Act, for a period of one year commencing from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015 be and is hereby ratified.”

RESOLVED FURTHER THAT Mr. A. S. Giridhar, appointment be ratified as made by the Board as Manager to carry out such duties and responsibilities as may be assigned to him by the Board from time to time, under the superintendence and control of the Board.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorized to file the necessary forms with the Registrar of Companies and to do all such acts, deeds and things in order to give effect to the above resolution and also to forward a certified copy of the aforesaid resolution wherever necessary.”

**9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and in accordance with Article 10 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any, required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall also include any Committee thereof), consent of the Members be and is hereby accorded to sub-divide each Equity Share of the Company having Face value of Rs.10/- (Rupees Ten only) into 10 (Ten) Equity Shares of Face value of Re. 1/- (Rupee One only) each fully paid-up and consequently, the Authorized Share Capital of the Company of Rs.100,00,00,000/- (Rupees Hundred Crores only) would comprise of 100,00,00,000 (Hundred Crores only) Equity Shares of Re. 1/- (Rupee One only) each with effect from the “Record Date” to be determined by the Board for this purpose.

RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, each Equity Share of the Face value of Rs.10/- (Rupees Ten only) as existing on the Record Date shall stand sub-divided into 10 (Ten) Equity Shares of the Face value of Re.1/- (Rupee One only) each fully paid-up, with effect from the Record Date.

RESOLVED FURTHER THAT on sub-division, the 10 (Ten Equity Shares of the Face value of Re.1/- (Rupee One only) each be issued in lieu of one Equity Share of Rs. 10/- (Rupees Ten only) each, subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid Equity Shares of Rs.10/- (Rupees Ten only) each of the Company and shall be entitled to dividend(s) to be declared after the sub-division of equity shares.

RESOLVED FURTHER THAT upon sub-division of Equity Shares of the Company as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of Face value of Rs. 10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and that no letter of allotment shall be issued to the allottees of the new Equity Shares of Re.1/- (Rupee One only) each on sub-division and the Company may, without requiring the surrender of existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu of such existing share certificate(s), within the period prescribed or that may be prescribed in this behalf, from time to time and in the case of shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares before sub-division.

RESOLVED FURTHER THAT the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Committee thereof as it may deem appropriate in this regard.”

**10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof, for the time being in force), the existing Clause V of the Memorandum of Association of the company be and is hereby amended by deletion of the existing Clause V and substitution thereof by the following clause:

“V. The Authorized Share Capital of the Company is Rs. 100,00,00,000 (Rupees Hundred Crores only) divided into 100,00,00,000 (Hundred Crores) Equity Shares of Re.1/- (Rupee one only) each, with such rights, privileges, and conditions as to security, redemption, conversion into equity

## NOTICE

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shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the capital of the Company for the time being and from time to time divide the shares of the new capital into several classes and denomination and to issue any shares of the original or further capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013 for the time being.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to this resolution.”

**11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:-**

“RESOLVED THAT consequent to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Article 3 of the Articles Of Association of the company be and is hereby amended by deletion of the existing Article 3 and substitution thereof by the following Article:

**“3. The Authorised Share Capital of the Company is as per Clause V of the Memorandum of Association.”**

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to this resolution.”

By Order of the Board

Sd/-

**Ajay K Mehta**  
Company Secretary

Place: Chennai

Date: 27.08. 2014

Regd. Office:

Buhari Building, Second Floor

No.3, Moores Road

Chennai – 600006

CIN: L36999TN1988PLC015475

## **NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the Company.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed signed and stamped, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members/proxies should bring Attendance Slips along with their copy of Annual Report to attend the meeting.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
6. The Register of Directors Shareholding, maintained under Section 170 of the Companies Act, 2013; erstwhile Section 307 of the Companies Act, 1956 will be available for inspection by the members at the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 17, 2014 to Tuesday, September 30, 2014 (both days inclusive).
8. Members holding shares in Electronic (demat) form are advised to inform the particulars of their bank account, change of address and email ids to their respective Depository Participants only. The Company or its Registrar and Share Transfer Agents i.e. Cameo Corporate Services Limited cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars etc., and such instructions shall be given directly to the depository participants by the members.
9. Members holding shares in physical form are advised to inform the particulars of their bank account, change of address and email ids to Cameo Corporate Services Limited (Unit: Info-Drive Software Limited), # 1, Subramanian Building, Club House Road, Anna Salai, Chennai, Tamil Nadu 600002.
10. Members holding shares in Electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details, respectively in all correspondences, including dividend matters to the Registrar and Share Transfer Agents, (Unit: Info-Drive Software Limited), # 1, Subramanian Building, Club House Road, Anna Salai, Chennai, Tamil Nadu 600002.
11. Company request to all members who have not registered their email addressed so far with their Depository Participants are requested to registered their email address for receiving all the communications including annual report, notices etc., in electronic mode to save our environment.
12. Members are requested to note that as per section 205A of the Companies Act, 1956, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education Protection Fund"(IEPF) established by the Central Government. The status of the dividends remaining unclaimed /unpaid with the respective due dates of transfer to IEPF is provided in the Corporate Governance report of this annual report.
13. Copies of Notice, Annual report are being sent by electronic mode to those members whose email ids are available with our Registrar and Share Transfer agents unless members requested for physical copy. For members whose email ids are not available physical copy has been sent by permitted mode.
14. Members may note that 26th AGM notice, Annual Report, Attendance Slip, Proxy Form and transport arrangement communication are also available on the company's website i.e. [www.infodrivesservcies.com](http://www.infodrivesservcies.com).
15. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:30 am to 6.00 pm) on all working days except Saturdays and up to and including the date of the Annual General Meeting of the Company.
17. The Company is pleased to offer E-Voting facility for its Members to enable them to cast their votes electronically with the help of Central Depository Services (India) Limited (CDSL). For conducting this e-voting activity in a fair and transparent manner, the Board of Directors has appointed Mr. Srivatsan, Practicing Chartered Accountant as Scrutinizer.

**The procedure and instructions for the same are as follows:**

- i) The voting period begins on Thursday, September 25, 2014 at 9:00 a.m. IST and ends on Saturday, September 27, 2014 at 6:00 p.m. IST. During this period, shareholders' of the Company, holding shares as on Friday, August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Share holder should Log on to the e-voting website '[www.evotingindia.com](http://www.evotingindia.com)'
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID



## NOTICE

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to 'www.evotingindia.com' and voted on an earlier voting of any other company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | For Members holding shares in Demat Form and Physical Form                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PAN                   | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB                   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of share held by you as on the cutoff date in the Dividend Bank details field. As mentioned in instruction (v).</li> </ul>                                                                                                                                                                                                                           |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non-individual Shareholder and custodians**
  - Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to 'www.evotingindia.co.in' and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to 'helpdesk.evoting@cdslindia.com'.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to 'helpdesk.evoting@cdslindia.com' and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### In case of Members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at 'www.evotingindia.co.in' under help section or write an email to 'helpdesk.evoting@cdslindia.com'.

- xix) The scrutinizer shall, within a period not exceeding 3 working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against forthwith to the Board of the Directors of the company.
- xx) Voting is provided to the members through e-voting and at the Annual general meeting of the company. A member can opt for only one mode of voting i.e., either through e-voting or at the Annual general meeting of the company.
- xxi) If a member casts votes by both modes, then voting done through e-voting shall prevail.

The results shall be declared not later than two days from the annual general meeting (AGM) of the company. The results declared along with the scrutinizer's report shall be placed on the company's website [www.infodriveservices.com](http://www.infodriveservices.com) and on the website of CDSL within 48 hours of AGM and communicated to the BSE Limited and Madras Stock Exchange Limited, where the shares of the company are listed.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No.2

Information pursuant to Clause 49 of the listing agreement

#### Mr. ANL Madhavann

Mr. ANL Madhavann, a qualified Chartered Accountant (FCA) and Company Secretary (FCS), has three decades of experience on Corporate Mergers and Acquisitions, Strategic Management Solutions, Healthcare Business Analytics, Hospitals and Pharmacy Chains both in India and abroad. His extensive corporate experience includes inter alia financial closures for large corporates, strategic funding and business development. Previously, he was associated with Apollo Hospitals Group, Goldman Sachs, IFC Washington and has also served on the Board of leading corporates. In his current responsibility, he adds value to major projects by supplementing funding strategies. He also holds Post Graduate Diploma in Business Management and Administration and Bachelor of General Laws (BGL).

#### Other details of Mr. ANL Madhavann:-

|                                                                                           |                                                                   |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Name of Director                                                                          | ANL Madhavann                                                     |
| Father's Name                                                                             | A V Narasimhan                                                    |
| Date of Birth                                                                             | 03.11.1959                                                        |
| Date of Appointment                                                                       | 14.02.2013                                                        |
| List of outside directorships held him (excluding Private Limited and Foreign Companies): | Nil                                                               |
| Member of the Committees of the Board of the Company                                      | Audit Committee<br>Shareholders' / Investors' Grievance Committee |
| Shareholding in the company                                                               | Nil                                                               |
| Member of the Committees in other companies in India                                      | Nil                                                               |
| Relationship with other Directors                                                         | No                                                                |

Except Mr. ANL Madhavann, who is seeking the appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Your directors recommend the said resolution for approval of the Members.

### Item No.4

Information pursuant to Clause 49 of the listing agreement

The Board of Directors appointed Mr. Pramod Manoharlal Jain as an Additional Director of the Company effective from May13, 2014.

The Board of Directors at their meeting held on May 13, 2014 appointed Mr. Pramod Manoharlal Jain as an Additional Director pursuant to section 161(1) of the Companies Act, 2013. In terms of the provision of Section 161 of the Companies Act, 2013, Mr. Pramod Manoharlal Jain will hold office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member along with a requisite deposit required under Section 160 of Companies Act, 2013 proposing the candidature of Mr. Pramod Manoharlal Jain for the office of Independent Director of the Company who is not liable to retire by rotation.

The Company has received from Mr. Pramod Manoharlal Jain, consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules 2014, and that he is not disqualified to become a Director under any other provisions of Companies Act, 2013.

#### A brief profile of Mr. Pramod Manoharlal Jain is as under:-

Mr. Pramod Jain has been in Auditing since 1983 and associated with the leading business houses like Reliance Industries, L.D.Textiles group, Diamond companies, Regal Hotel, Matheran and their Group Companies. He has good experience on understanding and positioning in Auditing and finalization of accounts and taxation. His strengths are exposure and comprehensive practical knowledge in all areas of Capital market operations, particularly in Secondary Market.

## NOTICE

|                                                                                           |                                                                                                            |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Name of Director                                                                          | Pramod Manoharlal Jain                                                                                     |
| Father's Name                                                                             | Manoharlal Shobhalal Jain                                                                                  |
| Date of Birth                                                                             | 01.09.1959                                                                                                 |
| Date of Appointment                                                                       | 13.05.2014                                                                                                 |
| List of outside directorships held him (excluding Private Limited and Foreign Companies): | Nil                                                                                                        |
| Member of the Committees of the Board of the Company                                      | Audit Committee<br>Shareholders' / Investors' Grievance Committee<br>Remuneration and Nomination Committee |
| Shareholding in the company                                                               | Nil                                                                                                        |
| Member of the Committees in other companies in India                                      | Nil                                                                                                        |
| Relationship with other Directors                                                         | No                                                                                                         |

Except Mr. Pramod Manoharlal Jain, who is seeking the appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Your directors recommend the said resolution for approval of the Members.

### Item No.5 & 6

Information pursuant to Clause 49 of the listing agreement

The Company presently has 3 (Three) Independent Directors viz. Mr. V N Seshagiri Rao, Mr. Jaffer Sadiq Ameer, and Mr. Pramod Manoharlal Jain. All these Independent Directors are liable to retire by rotation.

Pursuant to Section 149 of the Companies Act, 2013, every listed company is required to have one-third of its total strength of the Board of Directors as Independent Directors. Further, the provisions relating to retirement of directors shall not be applicable to Independent Directors.

The Act further provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company. In terms of explanation to Section 149(11) of the Act, any tenure of an Independent Director prior to the commencement of the Companies Act, 2013 viz. April 1, 2014, shall not be counted for calculating the term of independent director.

While the present composition of the Board of Directors and the number of Independent Directors is in compliance of the provisions of the Companies Act, 2013 and the Listing Agreement, it is proposed to align the terms of appointment of present Independent Directors with the provisions of the Companies Act, 2013.

Accordingly, separate resolutions are proposed to appoint Mr. V N Seshagiri Rao, Mr. Jaffer Sadiq Ameer, and Mr. Pramod Manoharlal Jain, existing Independent Directors of the Company who are liable to retire by rotation, as Independent Directors of the Company not liable to retire by rotation for a term of five consecutive years from the conclusion of the ensuing Annual General Meeting.

Section 149 of the Companies Act, 2013 and the Listing Agreement, prescribes criteria for independence. The Company has obtained a declaration from aforesaid Independent Directors that they meet the criteria of independence as prescribed in the Companies Act, 2013 and the Listing Agreement. In the opinion of the Board of Directors, Mr. V N Seshagiri Rao, Mr. Jaffer Sadiq Ameer, and Mr. Pramod Manoharlal Jain who are proposed to be appointed as Independent Directors not liable to retire by rotation satisfy the independence criteria in terms of the Companies Act, 2013 and the Listing Agreement.

The Company has received notices from members along with a requisite deposits required under Section 160 of Companies Act, 2013 proposing the candidatures of Mr. V N Seshagiri Rao, Mr. Jaffer Sadiq Ameer and Mr. Pramod Manoharlal Jain as Independent Directors of the Company not liable to retire by rotation.

A copy of the draft letter of appointment of Mr. V N Seshagiri Rao, Mr. Jaffer Sadiq Ameer, and Mr. Pramod Manoharlal Jain as Independent Directors of the Company setting out the terms and conditions of their appointment is available for inspection by the Members without any fee at the Company's registered office.

### Profiles of Independent Directors

#### Mr. V N Seshagiri Rao

Mr. V.N. Seshagiri Rao is a Non-Executive Director since 2006. He has an experience of over 39 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.

|                                                                                           |                                                                                                            |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Name of Director                                                                          | V N Seshagiri Rao                                                                                          |
| Father's Name                                                                             | Madhava Rao                                                                                                |
| Date of Birth                                                                             | 14.03.1952                                                                                                 |
| Date of Appointment                                                                       | 04.09.2006                                                                                                 |
| List of outside directorships held him (excluding Private Limited and Foreign Companies): | Gulf Outsourcing Services Limited                                                                          |
| Member of the Committees of the Board of the Company                                      | Audit Committee<br>Shareholders' / Investors' Grievance Committee<br>Remuneration and Nomination Committee |
| Shareholding in the company                                                               | Nil                                                                                                        |
| Member of the Committees in other companies in India                                      | Nil                                                                                                        |
| Relationship with other Directors                                                         | No                                                                                                         |

#### Mr. Jaffer Sadiq Ameer

Mr. Jaffer Sadiq Ameer was appointed as a Non-Executive Independent Director of the Company. He is a M. Com graduate and has over 12 years of experience in the areas of relationship management and business development. He is also successful recruiter and trainer for sales and marketing personnel for IT industries. .

|                                                                                           |                                                                                                            |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Name of Director                                                                          | Jaffer Sadiq Ameer                                                                                         |
| Father's Name                                                                             | P.M. Ameer                                                                                                 |
| Date of Birth                                                                             | 02.05.1977                                                                                                 |
| Date of Appointment                                                                       | 12.03.2013                                                                                                 |
| List of outside directorships held him (excluding Private Limited and Foreign Companies): | Nil                                                                                                        |
| Member of the Committees of the Board of the Company                                      | Audit Committee<br>Shareholders' / Investors' Grievance Committee<br>Remuneration and Nomination Committee |
| Shareholding in the company                                                               | Nil                                                                                                        |
| Member of the Committees in other companies in India                                      | Nil                                                                                                        |
| Relationship with other Directors                                                         | No                                                                                                         |

Except them, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the above resolutions as set out in item no. 6 to 7 of the Notice as Ordinary Resolutions for the approval by the Members.

#### Item No.7

The company has branches in India and abroad and may also open new branches in India and abroad. It may be necessary to appoint Branch Auditors for carrying out the audit of the accounts of such branches. The members are requested to authorize the Board of Directors of the company to appoint Branch Auditors and to fix their remuneration from time to time.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Your directors recommend the said resolution for approval of the Members.

#### Item No.8

Mr. A S Giridhar was appointed as Manager of the Company for the period from April 1, 2014 to March 31, 2015 under Section 269 read with Schedule XIII of the Companies Act 1956 at a Board Meeting held on February 28, 2014. Subsequently, necessary returns were filed with the Registrar of Companies. The matter is being placed at this Annual General meeting for consideration of ratifying the appointment and the Board of Directors recommend passing of the resolution as Mr. A S Giridhar has been rendering services.

## NOTICE

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The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 190 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Your directors recommend the said resolution for approval of the Members.

### Item No.9, 10 & 11

The Equity Shares of the Company are listed on the BSE Limited (BSE) and Madras Stock Exchange of Limited (MSE). With a view to increase the liquidity of equity shares of the Company, the Board of Directors at its meeting held on July 31, 2014 have approved the sub-division of each equity share of face value of Rs.10/- (Rupees Ten only) of the Company into 10 (Ten) equity shares of face value Re.1/- (Rupee one only) each, subject to approval of members. Accordingly, each issued equity share of nominal value Rs.10/- (Rupees Ten only) of the Company existing on the Record Date shall stand sub-divided into 10 (Ten) equity shares of nominal value Re.1/- (Rupee one only) each. The Record Date for the aforesaid sub-division of the equity shares will be fixed by the Board of Directors or Committee thereof after the approval of the shareholders is obtained.

At present, the Authorized Share Capital of the Company is Rs.100,00,00,000/- (Rupees Hundred Crores only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs.10/-(Rupees Ten only) each. The Issued, Subscribed and Paid-up Share Capital of the Company is divided into 4,50,90,220 (Four Crore Fifty Lacs Ninety Thousand Two Hundred Twenty) Equity Shares of Rs. 10/- (Rupees Ten only) each amounting to Rs. 45,09,02,200/- (Rupees Forty Five crores Nine lacs Two thousand Two hundred only).

The proposed sub-division of equity shares of the Company from Rs.10/- (Rupees Ten only) per equity share to Re.1/- (Rupee one only) per equity share, requires amendment to the Memorandum of Association and Articles of Association of the Company. Accordingly, Clause V of the Memorandum of Association and Article 3 of Articles of Association are proposed to be altered in the manner set out in Resolution at Item No. 10 & 11 respectively, to reflect the alteration in the authorized share capital of the Company, i.e. from Rs. 100,00,00,000/- (Rupees Hundred crore only) divided into 10,00,00,000 (Ten crore) Equity Shares of Rs. 10/- (Rupees Ten only) each to 100,00,00,000 (Hundred crores) Equity Shares of Re. 1/- (Rupee one only) each.

The resolution as set out in Item nos. 10 & 11 of the notice for altering Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company to reflect the corresponding changes in the capital clause of the Memorandum of Association and Articles of Association of the Company, consequent to the proposed sub-division of each existing Equity Shares of Rs.10/ (Rupees Ten only)-each into 10 (Ten) Equity Shares of Re.1/- (Rupee one only) each.

Accordingly, the Board seeks approval of the members for resolutions at Item Nos. 9, 10 & 11 for the proposed sub-division of each existing Equity Shares of Rs.10/ (Rupees Ten only)-each into 10 (Ten) Equity Shares of Re.1/- (Rupee one only) each and consequent amendments to Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company.

The Board is of the opinion that the aforesaid sub-division of the nominal value of equity shares is in the best interest of the members and hence recommends the said resolution for approval of the Members.

A copy of the Memorandum of Association and Articles of Association of the Company along with proposed amendments are available for inspection by the members at the Registered Office of the company during working hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays till the conclusion of Annual General Meeting.

The Directors / Key Managerial Personnel of the Company / their relatives are deemed to be concerned or interested in the resolutions at item Nos. 9, 10 & 11 only to the extent of shares held by them, if any, in the Company.

By Order of the Board

Place: Chennai  
Date: 27.08.2014

Sd/-  
**Ajay K Mehta**  
Company Secretary

Regd. Office:  
Buhari Building, Second Floor  
No.3, Moores Road  
Chennai – 600006  
CIN: L36999TN1988PLC015475

# DIRECTORS' REPORT

## TO THE MEMBERS

Your Directors are pleased to present the 26<sup>th</sup> Annual Report on the business & operations of Info-Drive Software Limited (hereafter referred to as 'InfoDrive') together with Audited Accounts for the financial year ended March 31, 2014.

## FINANCIAL RESULTS

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

Rs. Lacs

| <b>Consolidated</b>                                                            | <b>2014</b> | <b>2013</b> |
|--------------------------------------------------------------------------------|-------------|-------------|
| Turnover / Income from operations                                              | 6,319.53    | 8,002.71    |
| Other Income                                                                   | 71.93       | 274.38      |
| Exchange Fluctuation Gain/(Loss)                                               | 378.33      | 199.76      |
| Interest and finance charges                                                   | 155.29      | 314.07      |
| Profit after Tax (after Minority Interest adjustment) carried to Balance Sheet | 12.68       | 74.83       |

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

Rs. Lacs

| <b>Stand Alone</b>                        | <b>2014</b> | <b>2013</b> |
|-------------------------------------------|-------------|-------------|
| Turnover / Income from operations         | 1,212.99    | 2,119.90    |
| Other Income                              | 56.90       | 265.06      |
| Exchange Fluctuation Gain/(Loss)          | 385.60      | 192.87      |
| Interest and finance charges              | 85.67       | 142.52      |
| Profit after Tax carried to Balance Sheet | 31.57       | 85.95       |

## BUSINESS OVERVIEW:

During the financial year ended March 31, 2014, your company recorded revenues of Rs. 165.44 million as compared to Rs. 257.78 million in the previous financial year. The profit was 3.2 million as compared to 8.6 million in 2013.

A detailed discussion on the performance of your company, industry structure, threats, opportunities, risks, future outlook and strategy is given separately in the Management Discussion and Analysis (MDA) section, which forms a part of this annual report.

## DIVIDEND

Keeping the Company's growth plans in mind, no dividend was recommended by the Board of Directors for the year.

## BRANCH

Info-Drive Software Limited (Singapore Branch) was incorporated in November 2007 to expand its business in hardware sales & support services business in Singapore.

## SUBSIDIARIES

As on March 31, 2014, the Company had the following subsidiaries/associates:

| <b>Name of Subsidiary/ Associate*</b>                                                                     | <b>Country of Incorporation</b> |
|-----------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>Info-Drive Software Inc.</b>                                                                           | United States of America        |
| <b>Info-Drive Systems Sdn.Bhd.</b>                                                                        | Malaysia                        |
| <b>Info-Drive Software LLC</b>                                                                            | United Arab Emirates            |
| Info-Drive Enterprises Pte Ltd(Formerly known as Info-Drive Software Pte. Ltd.)                           | Singapore                       |
| <b>Info-Drive Software Limited</b>                                                                        | Canada                          |
| <b>InfoDrive Mauritius Limited</b>                                                                        | Mauritius                       |
| <b>Infodrive Technologies Co., Ltd* (* Associate Company of Infodrive Enterprises Pte Ltd, Singapore)</b> | Thailand                        |

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the company prepared as per Accounting Standard AS 21 and Accounting Standard AS 23, consolidating the company's accounts with its subsidiaries and an associate have also been included as part of this Annual Report As required under the Listing Agreements entered into with the Stock Exchanges, consolidated financial statements of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 211(3C) of the Companies Act, 1956. The consolidated financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

The Ministry of Corporate Affairs, Government of India has issued a Circular No. 2 /2011 dated February 8, 2011 granting general exemption to Companies under Sec 212(8) from attaching the documents referred to in Sec 212 (1) pertaining to its subsidiaries, subject to approval by the Board of Directors of the Company and furnishing of certain financial information in the Annual Report. The Board of Directors of the Company have accordingly decided to dispense with the requirement of attaching to its Annual Report the annual audited accounts of the Company's subsidiaries.

A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the annual report. The annual accounts of these subsidiaries and the related information will be made available to any member of the Company/its subsidiaries seeking such information and are available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection at the head offices/registered offices of the respective subsidiary companies.

## MATERIAL NON-LISTED SUBSIDIARY COMPANY

As per Clause 49 of the Listing Agreement, your Company has no material non-listed subsidiary company in India, 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.

## CAPITAL STRUCTURE

During the year under review, the share capital of your Company remained unaltered.

Subsequent to the close of the financial year, the Authorized Share Capital of the Company was increased from Rs. 70 Crores to Rs. 100 Crores pursuant to the approval accorded by the members of the Company at their meeting held on April 2, 2014.

## FIXED DEPOSIT

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## DIRECTORS, MANAGER AND SECRETARY

1. Mr. V.N. Seshagiri Rao is a Non-Executive Director since 2008. He has an experience of over 39 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 not holding any shares in the Company. He is not holding any shares in the Comp any.
2. Mr. ANL Madhavann, *BSc., FCA, FCS, PGDBA, BGL* Chartered Accountant and Company Secretary has well over 29 years of experience of Corporate Mergers & Acquisitions, Strategic Management Solutions, Healthcare Business Analytics, Hospital and Pharmacy Chains both in India and Abroad, extensive corporate experience includes inter alia financial closures for large corporates, strategic funding and business development. Associated with Goldman Sachs and IFC Washington served on the Board of leading corporates. As a Director adds value to the vision on credit society solution by supplementing funding strategies and as Company Secretary to Corporate Governance. He is not holding any shares in the Company.
3. Mr N Viswanathan was appointed as a Non-Executive Independent Director of the Company. He is a practicing Chartered Accountant and has over two decades of professional experience in areas of external /internal audits, taxation and company law and is an additional Non-Executive Independent Board Member of the Company. He is not holding any shares in the Company.
4. Mr Jaffer Sadiq Ameer was appointed as a Non-Executive Independent Director of the Company. He is a M. Com graduate and has over 12 years of experience in the areas of relationship management and business development. He is also successful recruiter and trainer for sales and marketing personnel for IT industries and is an additional Non-Executive Independent Board Member of the Company. He is not holding any shares in the Company.
5. Mr. Pramod Manoharlal Jain was appointed as a Non-Executive Director of the Company w.e.f May 13, 2014. He is an entrepreneur in Capital Markets has more than two decades of experience in business development and capital markets especially secondary market & commodities. He joined the Board of Directors on May 13, 2014 as an additional director. He is 000.not holding any shares in the Company.
6. The Board has reappointed Mr. A. S. Giridhar as Manager in terms of Section 269 read with Schedule XIII to the Companies Act, 1956 with effect from April 1, 2014 to March 31, 2015. He has over two and half decades of experience in Marketing & Sales. Has gained vast experience in Advertising and handled top groups and has been responsible for major campaigns. He is excellent in Client Relations Management and excels in inter personal skills. He is a Media Consultant and has been organizing Events. He has produced documentaries for television channels and individual clients. He is not holding any shares in the Company.

## DIRECTORS' REPORT

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7. The Board has appointed Mr. Ajay K Mehta, as Company Secretary and Compliance Officer of the Company w.e.f May 13, 2014. He is a Fellow Member of the Institute of Company Secretaries of India (ICSI) and qualified Chartered Accountant has tremendous hands-on experience in Mergers & Acquisitions, Corporate Governance and Compliances. He is not holding any shares in the Company.

### RETIREMENT, REAPPOINTMENT AND RESIGNATION OF DIRECTORS

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Pramod Manoharlal Jain was appointed as an Additional Director w.e.f. May 13, 2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Pramod Manoharlal Jain for appointment as a Director.

Mr. K Chandrasekaran has resigned as Director of the Company w.e.f May 13, 2014. The Board places on record its deep sense of appreciation and gratitude for the significant contributions made by him to the company.

The Board of Director has appointed Mr. Ajay K Mehta as Company Secretary & Compliance Officer of the Company with effect from May 13, 2014 pursuant to the provisions of Section 203 of the Companies Act, 2013.

Mr. ANL Madhavann, Director, shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

At present, your Company has 3 (Three) Non-Executive Directors who are Independent Directors pursuant to the provisions of the Clause 49 of the Listing Agreement. Pursuant to Section 149 of the Companies Act, 2013, every listed company shall have at least one-third of its total strength of the Board of Directors as Independent Directors. Based on the present composition of the Board of Directors and the number of Independent Directors, the Company complies with this requirement.

During this Annual General Meeting, it is proposed to confirm the appointment of all the present Independent Directors to bring their appointment in tune with the provisions of the Companies Act, 2013. Pursuant to the provisions of the Companies Act, 2013, the period of appointment of Independent Directors shall be 5 (Five) consecutive years from the date of their appointment at Annual General Meeting and they are not liable to retire by rotation.

The Company has received notices under Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956) proposing appointment of 3 (Three) Non-Executive Directors who are Independent Directors of the Company at the ensuing Annual General Meeting. Consequent to appointment as a Director, they will occupy the position of Directors of your Company.

The information on the particulars of Directors 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.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

8. In the preparation of annual accounts for the year 2013-2014, the applicable Accounting Standards have been followed and there are no material departures;
9. 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;
10. 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;
11. They have prepared the Annual Accounts on a going concern basis.

### AUDITORS

M/s. K. S. Reddy Associates, Chartered Accountants (FRN. 009013S), Chennai, India who is the Auditor of the Company, holds 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 ensuing Annual General Meeting.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

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

With reference to observations of Statutory Auditors in point no. xi of annexure to the Auditor's Report, Management comments are as given below:-

### AUDITOR OBSERVATION

Based on my audit procedures and on the information and explanations given by the management, the company has defaulted in repayment of dues to Axis Bank Limited, Anna Salai Branch, Chennai.



**MANAGEMENT REPLIES**

The bank has preferred a claim through DRT (Debt Recovery Tribunal) and there would be an amicable settlement. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**COMMITTEES OF THE BOARD**

During the year under report, the Board of Directors of your Company had re-constituted the Committees of the Board. The details of the powers, functions, composition and meetings of the Committees of the Board held during the year are given in the Report on Corporate Governance forming part of this Annual Report.

**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') 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:**

| Particulars             | Rs in Lacs |        |
|-------------------------|------------|--------|
|                         | 2014       | 2013   |
| Foreign Exchange earned | 34.06      | 638.18 |
| Foreign Exchange used   | 2.62       | 214.44 |

**PARTICULARS OF EMPLOYEES**

During the year under review, there is no employee employed throughout the financial 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 Employees) Rules, 1975 and amendments thereto.

**PERSONNEL**

- It is a well known fact that the IT industry operates in an exciting yet complex and demanding environment. In such an industry, it is the skill and competency of the workforce that makes the difference. Our employees are our key strength and we value them as our key assets. It has always been our endeavour to maximize the potential of this human asset. As on May 30, 2014 the Info-Drive family consists of over 206 talented professionals based at various locations worldwide. We have shared an excellent employer employee relationship based on trust, mutual respect, aspirations and a performance based culture of meritocracy. At InfoDrive, we consider employees as partners in our journey towards excellence. Recruiting talented employees, managing them, inspiring them to do well consistently is one of our main focus areas.
- As a global organization, we feel proud of our varied workforce. An open mindset, panache for diverse cultures and the quest for excellence in performance is highly valued at InfoDrive. Employee contribution, strong values and teamwork are instrumental in our success and have helped us traverse this challenging path. We strongly believe that our able workforce will go a long way in partnering the organization in its journey towards achieving greater heights.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation of the efforts and dedicated service of all employees, which contributed to the continuous growth and consequent performance of the Company. Your Directors wish to place on record their gratitude for the valuable assistance and co-operation extended to the Company by the Central Government, State Governments, Banks, Institutions, Investors and Customers.

For and on behalf of the Board of Directors

Place: Chennai  
Date: 30.05.2014

Sd/-  
**V N Seshagiri Rao**  
Director

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

# CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the financial year ended March 31, 2014 as per the format prescribed by Securities and Exchange Board of India (SEBI) and incorporated in the revised 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 professional integrity, transparency and accountability for meeting its obligations towards enhancing shareholder value.

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 Exchanges.

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

## BOARD OF DIRECTORS

The total strength of the Board for the financial year ended is 5. The Chairman of the Board is an Independent Non-Executive Director and the Board consists of three Independent Non-Executive Directors, which constitutes more than half of the total strength of the Board.

| Director                                                      | No. of Board Meetings Totally Held | No. of Board Meetings Attended | Attendance at previous AGM held on Dec 30 <sup>th</sup> , 2013 | 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 (Resigned as Director w.e.f, May13,2014) | 5                                  | 1                              |                                                                | 1                                                                                                        | Nil                                                        | Non Executive Independent             |
| Mr. V.N. Seshagiri Rao                                        | 5                                  | 5                              | Present                                                        | 1                                                                                                        | Nil                                                        | Non-Executive Independent             |
| Mr. ANL Madhavann                                             | 5                                  | 5                              | Present                                                        | Nil                                                                                                      | Nil                                                        | Executive Non Independent             |
| Mr N Viswanathan                                              | 5                                  | 5                              | Present                                                        | 1                                                                                                        | Nil                                                        | Non-Executive Independent             |
| Mr. Jaffer Sadiq Ameer                                        | 5                                  | 5                              | Present                                                        | Nil                                                                                                      | Nil                                                        | Non-Executive Independent             |

- 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, 2014 have been made by the Directors.
- 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.

None of the Directors on the Board hold the office of Director in more than 15 Companies, or Memberships of Committees of the Board in more than 10 Committees and Chairmanship of more than 5 Committees across all Companies.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

Particulars about Directors proposed for re-appointment have been given in the attachment to the Notice and Explanatory Statement.

No Director of the Company is related to any other Director of the Company.

## CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and senior management of the Company and it is posted on the website of the Company ([www.infodrivservices.com](http://www.infodrivservices.com)).

## BOARD MEETINGS HELD DURING THE YEAR 2013 – 14

The Board met five times during 2013-14 on May 30, 2013, August, 14, 2013, November, 13 2013, February 14, 2014 and February 28, 2014.

The necessary quorum was present for all the meetings. The Board reviews periodically the compliance reports of all laws applicable to the Company. Minutes of the meetings of all the Board and Committees are circulated to all the Directors.

**BOARD COMMITTEES:**

The Info-Drive Board has constituted the various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its Charter which outlines their scope, roles and responsibilities and their powers. All the decisions and recommendations of the Committee are placed before the Board for their approval.

**THE VARIOUS BOARD LEVEL COMMITTEES ARE AS UNDER**

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Investment Committee
5. Share Allotment Committee
6. Borrowing Committee.

**AUDIT COMMITTEE**

The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit with an objective of moving towards a regime of unqualified financial statements. The Committee functions as per the provisions of Clause 49 of the Listing Agreement and the provisions of Companies Act. The responsibilities of the Committee include review of the quarterly and annual financial statements before submission to Board, review of related party transactions, review of compliance of internal control system, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements etc. The Committee also reviews the adequacy and effectiveness of internal audit function, Risk management and control systems.

The Committee met four times during 2013-14 on May 30, 2013, August 14, 2013, November 13, 2013 and February 14, 2014.

Composition of the Audit Committee and meetings attended during the year was as under:

| Director                                                   | Position | Qualification        | Number of meetings held during the tenure of the Director as a member of committee | Number of Meetings attended |
|------------------------------------------------------------|----------|----------------------|------------------------------------------------------------------------------------|-----------------------------|
| V. N. Seshagiri Rao                                        | Chairman | FCA                  | 4                                                                                  | 4                           |
| K. Chandrasekaran (Resigned as Director w.e.f. May13,2014) | Member   | ACA, CWA             | 4                                                                                  | 1                           |
| ANL Madhavann                                              | Member   | FCA, FCS, PGDBA, BGL | 4                                                                                  | 4                           |
| N Viswanathan                                              | Member   | FCA                  | 4                                                                                  | 4                           |
| Jaffer Sadiq Ameer                                         | Member   | M Com                | 4                                                                                  | 4                           |

The Audit committee comprises strength of five members comprises of Non-Executive Directors, majority of them being independent. Majority of the members of the committee have accounting and financial management expertise. The Statutory Auditor attended all the meetings as invitee. The Company Secretary is the Secretary to the Committee.

The necessary quorum was present for all the meetings.

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, half-yearly and annual financial statements along with limited review report/draft audit report and ensuring that the financial statements reflect a true and fair position before submission to the Board of Directors.
- Reviewing with management adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of systems and their functions and discussing and reviewing periodic audit reports, including any 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.

Statutory Auditor always has independent meetings with the Audit Committee and also participates in the Audit Committee meetings.

Our Chief Financial Officer and Executive Director make periodic presentations to the Audit Committee on various issues.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

**The Composition of the Committee as on the date of this report is as under:**

| Director            | Position |
|---------------------|----------|
| V. N. Seshagiri Rao | Chairman |
| ANL Madhavann       | Member   |
| N Viswanathan       | Member   |
| Jaffer Sadiq Ameer  | Member   |

## CORPORATE GOVERNANCE

The Stakeholders Relationship 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 Registrar & Transfer Agent [RTA] viz., Cameo Corporate Services Limited 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. Additionally 'Benf' reports are also provided.

- [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.

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

The Committee met four times during 2013-14 on 30<sup>th</sup> May, 2013, 14<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 and 14<sup>th</sup> February 2014. The necessary quorum was present for all the meetings.

Mr. ANL Madhavann, Company Secretary is our Compliance Officer for the Listing Agreement during the year 2013-14.

### 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, 2014 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.) as on 31st March 2014 | Due date for transfer to Investor Education and Protection Fund |
|---------------------------|---------------------------------|----------------------------------------|----------------------------------------------|-----------------------------------------------------------------|
| 2007-2008(Final Dividend) | September 23, 2008              | September 22, 2015                     | 277,734                                      | October, 21 2015                                                |
| 2008-2009(Final Dividend) | September 23, 2009              | September 22, 2016                     | 236,194                                      | October 21, 2016                                                |
| 2009-2010(Final Dividend) | September 30, 2010              | September 29, 2017                     | 247,785                                      | 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.

### NOMINATION AND REMUNERATION COMMITTEE

The Composition of the Committee as on the date of this report is as under:

| Name of the Members | Category                  |
|---------------------|---------------------------|
| V N Seshagiri Rao   | Non-Executive Independent |
| N Viswanathan       | Non-Executive Independent |
| Jaffer Sadiq Ameer  | Non-Executive Independent |

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.
- Such other matters as the Board may from time to time request the remuneration committee to examine and recommend..
- Meeting of Remuneration Committee: No meeting was held during the year under consideration
- The Company does not have any Employee Stock Option Scheme.

**DETAILS OF REMUNERATION FOR THE YEAR ENDED MARCH 31, 2014:****NON EXECUTIVE DIRECTORS**

The Non-Executive Directors are paid sitting fees for attending the meetings of Board, Committees.

During the financial year the Company has paid Rs. 67,500/- as Sitting Fees to the Non-Executive Directors of the Company.

**INVESTMENT COMMITTEE**

An Investment Committee has been constituted to assist the Board in reviewing investment opportunities in subsidiaries and other companies within the limits prescribed under Section 186 of the Companies Act 2013.

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 & Companies Act, 2013.

This committee consists of the following members

| Name of the Members                                       | Category                  |
|-----------------------------------------------------------|---------------------------|
| V N Seshagiri Rao                                         | Non-Executive Independent |
| K Chandrasekaran (Resigned as Director w.e.f, May13,2014) | Non-Executive             |
| ANL Madhavann                                             | Executive                 |
| N Viswanathan                                             | Non-Executive Independent |
| Jaffer Sadiq Ameer                                        | Non-Executive Independent |

This committee meets whenever decisions regarding Investments and loans to various subsidiaries/ inter-corporates are to be considered.

**SHARE ALLOTMENT COMMITTEE**

The Composition of the Committee as on the date of this report is as under:

| Name of the Members                                       | Category                  |
|-----------------------------------------------------------|---------------------------|
| V N Seshagiri Rao                                         | Non-Executive Independent |
| K Chandrasekaran (Resigned as Director w.e.f, May13,2014) | Non-Executive             |
| ANL Madhavann                                             | Executive                 |

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, 2014, no meeting of this Committee was held.

**BORROWING COMMITTEE**

The Committee of Directors has been constituted by the Board the Companies Act. The committee functions based on powers delegated by the Board, for overseeing and taking decisions on borrowings from financial institutions/ other corporates, 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, 1956 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.

Consequent to the various changes in the Board the Committee was reconstituted, the Composition of the Committee as on the date of this report is as under:-

| Name of the Members                                       | Category                  |
|-----------------------------------------------------------|---------------------------|
| V N Seshagiri Rao                                         | Non-Executive Independent |
| K Chandrasekaran (Resigned as Director w.e.f, May13,2014) | Non-Executive             |
| ANL Madhavann                                             | Executive                 |

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

## CORPORATE GOVERNANCE

### DETAILS OF PREVIOUS GENERAL MEETINGS

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

#### GENERAL MEETINGS OF THE COMPANY

| Year | Annual General Meeting                  | Location                                                        | Date               | Time       |
|------|-----------------------------------------|-----------------------------------------------------------------|--------------------|------------|
| 2013 | 25 <sup>th</sup> Annual General Meeting | The Auditorium , Mylapore Club, Luz Church Road, Chennai, India | December 30, 2013  | 11.00 A.M. |
| 2012 | 24 <sup>th</sup> Annual General Meeting | 'Mini Hall', Narada Gana Sabha, T.T.K. Road, Chennai, India     | September 28, 2012 | 10.15 A.M. |
| 2011 | 23 <sup>rd</sup> Annual General Meeting | 'Mini Hall', Narada Gana Sabha, T.T.K. Road, Chennai, India     | September 30, 2011 | 10.15 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                                                                                                                                              |
|------|------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2013 | 25 <sup>th</sup> AGM   | 1      | Resolution passed under Section 314 of the Companies Act, 1956 in respect of Mr ANL Madhavann holding office or place profit as Director & Company Secretary in the Company           |
| 2012 | 24 <sup>th</sup> AGM   | 1      | Resolution passed under Section 314 of the Companies Act, 1956 in respect of Mr K Chandrasekaran holding office or place profit in Info-Drive Software Pte.Ltd., a WOS of the Company |
|      |                        | 2      | 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.                                   |
| 2011 | 23 <sup>rd</sup> AGM   | 1      | Inserted the new Article 29A in the Articles of Association.                                                                                                                          |

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

| Year | General Meeting                | Location                                                        | Date              | Time       |
|------|--------------------------------|-----------------------------------------------------------------|-------------------|------------|
| 2014 | Extra-Ordinary General Meeting | The Auditorium , Mylapore Club, Luz Church Road, Chennai, India | April 2, 2014     | 11.30 A.M. |
| 2010 | Extra-Ordinary General Meeting | 'Mini Hall', Narada Gana Sabha, T.T.K. Road, Chennai, India     | August 10, 2010   | 10.15 A.M. |
|      | 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                                                                                                                                                                 |
|------|---------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2014 | EGM dated April 2, 2014         | 1     | To raise additional Capital not exceeding Rs. 100 Crores by way of QIP/Warrants/FCCB/FCEB/ Private Placements/ADR/GDR                                                                                    |
|      |                                 | 2     | Altered the Articles of Association by substituting New Article "3", in place of the existing Article "3".                                                                                               |
| 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.                                            |
|      | EGM dated February 01, 2010     | 1     | Altered the Articles of Association by substituting New Article "3", in place of the existing Article "3".                                                                                               |
|      |                                 | 2     | 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.

**MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement

**CEO/CFO CERTIFICATION**

As required under clause 49 of the Listing Agreement, the Certificate from Mr. ANL Madhavann, Director Finance & Projects and Mr. A. S. Giridhar, Manager was obtained and placed before the Board of Directors at its meeting held on 30<sup>th</sup> May, 2014.

**AUDITORS REPORT ON CORPORATE GOVERNANCE**

As required under Clause 49 of the Listing Agreement, the auditors' certificate on Corporate Governance is given as annexure.

**SUBSIDIARIES**

As per clause 49 of the Listing Agreement, your Company does not have any material non-listed subsidiary Company whose turnover or networth exceed 20% of the consolidated turnover or networth respectively of the Company and its subsidiaries in the immediately preceding accounting financial year.

**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.

**AUDITOR OBSERVATION**

The Auditor Observation has been explained in the Directors' Report.

**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**

- **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.
- **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.
- **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.
- **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, 2014.
- **Management**  
The Management Discussion and Analysis Report is appended to this report.
- **Shareholders**  
Disclosures regarding appointment or re-appointment of Directors  
As per the Companies Act, 2013, at least two thirds of the Board should consist of retiring Directors of these at least one third are required to retire every year.

## CORPORATE GOVERNANCE

Mr. K. Chandrasekaran resigned as Director with effect from May 13, 2014. The Board placed its appreciation of excellent contributions made by Mr K Chandrasekaran during his tenure as Director. Special appreciations were placed for his contributions earlier as MD & CEO of the company.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Pramod Manoharlal Jain was appointed as an Additional Director w.e.f. May 13, 2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Pramod Manoharlal Jain for appointment as a Director.

Mr. ANL Madhavann who resigned as 'Company Secretary' and continuing as Director, shall retire by rotation in the ensuing annual general meeting and is eligible for reappointment.

The detailed resumes of all these directors are provided as part of the Notice of the Annual General Meeting.

### COMMUNICATION TO SHAREHOLDERS

The unaudited quarterly/half yearly financial statements are announced within forty five days from the end of each quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the company's securities are listed. Once the Stock Exchanges have been intimated, these results are published within 48 hours in two leading daily newspapers - one in English and one in Tamil.

The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.

The quarterly/half yearly and the annual results of the company are put on the company's website [www.infodrivservices.com](http://www.infodrivservices.com).

|                               |                                                                                                                                                                                                                                        |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Means of Communication</b> | The Annual / Quarterly results are published in "News Today" and "Malai Sudar". The Company updates its results on the, BSE, MSE/NSE and posted on our website- <a href="http://www.infodrivservices.com">www.infodrivservices.com</a> |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                        |                                                                                                                                                                   |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General Shareholder Information</b> | Annual General Meeting<br>Date : September 30, 2014 (Tuesday)<br>Time : 10.15 AM<br>Venue : The Mylapore Club, Luz Church Road, Mylapore, Chennai- 600004, India. |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                          |                                                                            |
|------------------------------------------|----------------------------------------------------------------------------|
| <b>Financial Calendar of the Company</b> | The financial year covers the period from April 1, 2013 to March 31, 2014. |
|------------------------------------------|----------------------------------------------------------------------------|

#### Financial Reporting for 2013 – 2014

| Quarter ended                             | Release of results   |
|-------------------------------------------|----------------------|
| Results for the quarter ending 30/06/2013 | By August 14, 2013   |
| Results for the quarter ending 30/09/2013 | By November 13, 2013 |
| Results for the quarter ending 31/12/2013 | By February 14, 2014 |
| Results for the quarter ending 31/03/2014 | By May 30, 2014      |

#### Financial Reporting for 2014-15 (tentative)

Our tentative calendar for declaration of results for the financial year 2014-2015 is as given below:

| Quarter ending                            | Release of Results                |
|-------------------------------------------|-----------------------------------|
| Results for the quarter ending 30/06/2014 | By 14 <sup>th</sup> August 2014   |
| Results for the quarter ending 30/09/2014 | By 14 <sup>th</sup> November 2014 |
| Results for the quarter ending 31/12/2014 | First Week of February 2015       |
| Results for the quarter ending 31/03/2015 | Third Week of May, 2015           |

|                             |                                                                                                         |
|-----------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Date of Book Closure</b> | The period of book closure is fixed from September 17, 2014 to September 30, 2014 (both days inclusive) |
|-----------------------------|---------------------------------------------------------------------------------------------------------|

|                                           |                                                                                                                                   |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>Outstanding ADRs / GDRs / Warrants</b> | Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity:<br>Not Applicable |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|

|                                                  |                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Listing on Stock Exchanges and Stock Code</b> | The Shares of the Company are listed at the Madras Stock Exchange and Bombay Stock Exchange [Scrip Code: 530703, Scrip ID: INFDS]<br>The trading of the company's scrip commenced on the National Stock Exchange [through Madras Stock Exchange] with effect from 8th January 2010. Symbol: INFODRIVE |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



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

**BOMBAY STOCK EXCHANGE**

| Month          | High (Rs.) | Low (Rs.) | Month         | High(Rs.) | Low(Rs.) |
|----------------|------------|-----------|---------------|-----------|----------|
| April 2013     | 8.84       | 6.17      | October 2013  | 6.63      | 4.57     |
| May 2013       | 6.84       | 5.34      | November 2013 | 5.28      | 4.09     |
| June 2013      | 5.64       | 3.93      | December 2013 | 4.84      | 3.45     |
| July 2013      | 4.78       | 2.84      | January 2014  | 8.83      | 3.85     |
| August 2013    | 5.75       | 2.62      | February 2014 | 10.15     | 7.32     |
| September 2013 | 6.60       | 5.26      | March 2014    | 8.50      | 5.85     |

**NATIONAL STOCK EXCHANGE**

| Month          | High (Rs.) | Low (Rs.) | Month         | High(Rs.) | Low(Rs.) |
|----------------|------------|-----------|---------------|-----------|----------|
| April 2013     | 8.65       | 6.20      | October 2013  | 6.70      | 4.55     |
| May 2013       | 6.70       | 5.35      | November 2013 | 5.25      | 4.15     |
| June 2013      | 5.50       | 3.95      | December 2013 | 4.85      | 3.40     |
| July 2013      | 4.70       | 2.75      | January 2014  | 8.70      | 3.85     |
| August 2013    | 5.30       | 2.55      | February 2014 | 9.95      | 7.50     |
| September 2013 | 6.60       | 5.35      | March 2014    | 8.65      | 5.75     |

**DISTRIBUTION SCHEDULE AS ON MARCH 31, 2014**

| No. of Equity Shares Held | March 31, 2014      |                 |                   |
|---------------------------|---------------------|-----------------|-------------------|
|                           | No. of Shareholders | No. of Shares   | % of Shareholding |
| 1 – 1000                  | 3024                | 2100270         | 0.47              |
| 1001 – 5000               | 2576                | 7829180         | 1.74              |
| 5001 – 10000              | 666                 | 5757050         | 1.28              |
| 10001 – 20000             | 392                 | 6227110         | 1.38              |
| 20001 – 30000             | 146                 | 3836860         | 0.85              |
| 30001 – 40000             | 70                  | 2507060         | 0.56              |
| 40001 - 50000             | 115                 | 5456020         | 1.21              |
| 50001 - 100000            | 155                 | 11605080        | 2.57              |
| 100001 above              | 307                 | 405583570       | 89.95             |
| <b>Total</b>              | <b>7451</b>         | <b>45090220</b> | <b>100.00</b>     |

**SHAREHOLDING PATTERN: AS ON MARCH 31, 2014**

| Sl. No. | Category        | No. of Holders | No. of Shares   | % of Shares   |
|---------|-----------------|----------------|-----------------|---------------|
| 1.      | Resident Indian | 7158           | 26586362        | 58.96         |
| 2.      | Corporate Body  | 163            | 3165744         | 2.45          |
| 3.      | NRIs            | 103            | 1103559         | 7.02          |
| 4.      | FII's           | 6              | 13941372        | 30.92         |
| 5.      | Promoters       | 1              | 258715          | 0.57          |
| 6.      | Mutual Funds    | 1              | 800             | 0.00          |
| 7.      | Bank            | 1              | 7400            | 0.02          |
| 8.      | Clearing Member | 17             | 25768           | 0.06          |
| 9.      | Trust           | 1              | 500             | 0.00          |
|         | <b>TOTAL</b>    | <b>7451</b>    | <b>45090220</b> | <b>100.00</b> |

|                                                  |                                                                                                                                                                                                                     |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dematerialization of Shares and Liquidity</b> | Demat ISIN No. INE 804D01011<br>As on March 31, 2014, 4,42,04,252 Shares, that is, 98.02% were held in dematerialized form and the balance of 1.96% of shares, that is, 8,85,968 shares were held in Physical form. |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## CORPORATE GOVERNANCE

### PROMOTERS AND PROMOTERS GROUP

Given below are the Shareholdings of "Promoters and Promoters Group" as on March 31, 2014.

| Sl. No. | Name of the Shareholder                      | No. of Shares | % of Shares |
|---------|----------------------------------------------|---------------|-------------|
| 1       | M/s. EH Building Consultancy Private Limited | 417400        | 0.92        |
| 2       | Mr. K. Shivakumar                            | 258715        | 0.57        |
|         | <b>Total</b>                                 | <b>676115</b> | <b>1.49</b> |

### 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               | Info-Drive Software Limited<br>Buhari Buildings, Second Floor,<br>No.3, Moores Road, Chennai – 600 006, India<br>Tel: +91 – 44 – 28212368, Fax: +91 – 44 – 28212609<br>Website : www.infodriveservices.com<br>E-mail: info@infodriveservices.com                       |
| Company's Registrar and Transfer Agent    | Cameo Corporate Services Limited<br>Subramanian Building<br>No.1, Club House Road, Chennai – 600 002, India<br>Tel: +91 – 44 – 28460390, Fax: +91 – 44 – 28460129<br>E-mail: cameo@cameoindia.com                                                                      |
| Corporate Communications                  | Mr. Ajay K Mehta<br>Company Secretary & Compliance Officer<br>Info-Drive Software Limited<br>No.3, Moores Road `Buhari Buildings' Second Floor<br>Chennai – 600 006, India<br>Tel: +91 – 44 – 28212368, Fax: +91 – 44 – 28212609<br>E-mail: ajay@infodriveservices.com |
| Designated Email ID for Investor Services | investorcell@infodriveservices.com                                                                                                                                                                                                                                     |

#### Declaration on code of conduct as required by clause 49.I. (d) (ii)

This to declare that the Company has received affirmations of compliance with applicable Code of Conduct from the Directors and Senior Management personnel of the Company in respect of the financial year 2013-14.

#### 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 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.

# 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 31st March 2014 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 or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai  
Date: 30.05.2014

For **K.S.Reddy Associates**  
Chartered Accountants  
FRN: 009013S

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

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## CEO & CFO CERTIFICATION

To the Board of Directors of Info-Drive Software Limited

We, ANL Madhavann, Director Finance & Projects and A S Giridhar, Manager, 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, 2014 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) 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.

Place: Chennai  
Date: 30.05.2014

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**A. S. Giridhar**  
Manager

# MANAGEMENTS' DISCUSSION AND ANALYSIS

## INDUSTRY

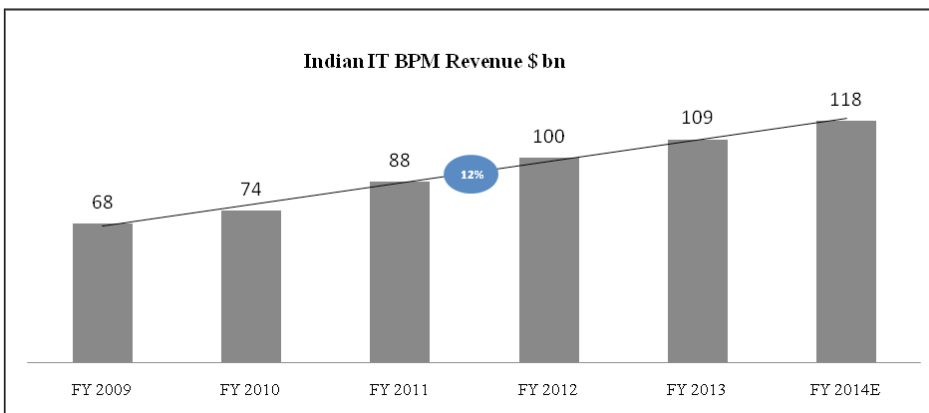
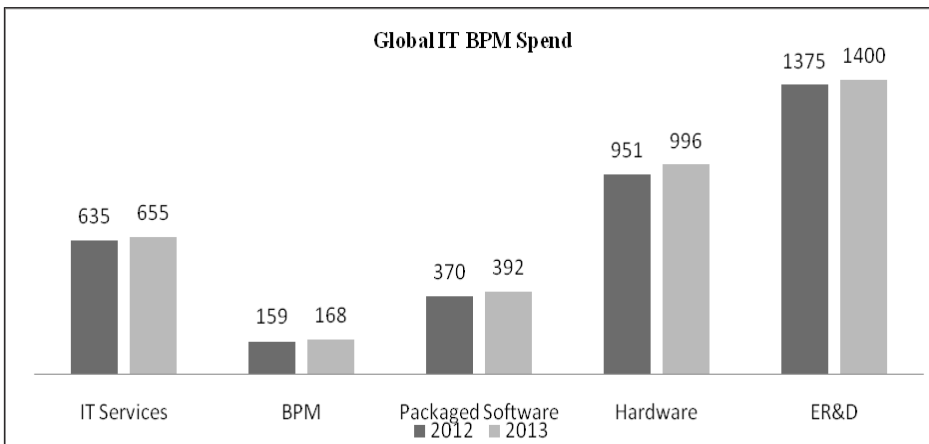
### INDUSTRY OVERVIEW

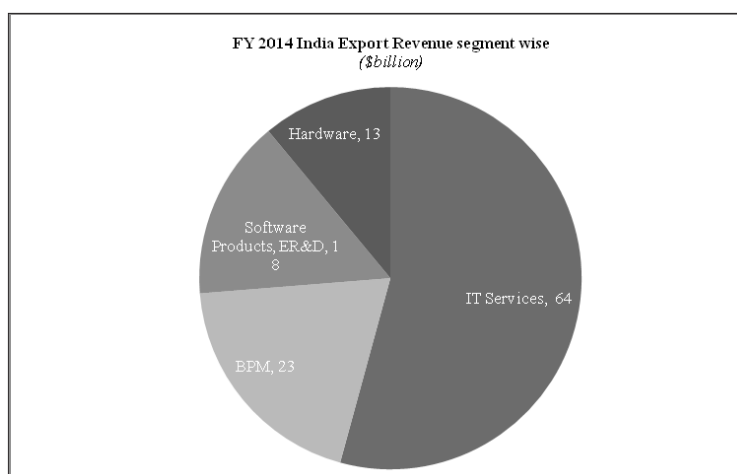
In the financial year 2013-14 as per NASSCOM, India witnessed depth and breadth of offerings across different segments of industry– IT Services, BPM, Engineering & R&D, Internet & Mobility and Software Products. IT Services is a USD 50 billion sector and BPM is a USD 20 billion sector, Engineering crossed USD 10 billion and Software products, Internet & Mobility popularly termed as SMAC business are emerging opportunities. Today, existing and new companies are expanding their offerings to build India as the hub for analytics, mobility, cloud, social collaboration and emerging verticals like healthcare and medical deliverables

Despite challenges in the global market, Indian IT-BPM industry sustained its growth trajectory and is expected to clock export revenues of USD 75.8 bn with a Y-o-Y growth rate of 10.2 %. Domestic market also witnessed Y-o-Y growth rate of 14.1% taking the domestic revenues to INR 1,047 bn. The Indian IT-BPM sector continues to be one of the largest employers in the country directly employing nearly 3 million professionals, adding over 180,000 employees.

FY2013 can be characterized as the year of rapid transition and transformation leading the industry to expand and to emerge with newer verticals and geographies, attracting newer customer segments and transforming from technology partners to strategic business partners.

Europe despite the economic crisis, demonstrated higher acceptance of global sourcing with markets such as Germany or France increasing outsourcing as a way to keep their costs under control and gain greater flexibility in the light of increasing volatile markets in the euro zone and beyond. At the same time, the industry explored increasing opportunities in Asia, Africa and Latin America. Customer centricity was the key focus as the industry expanded its global delivery model accounting for 580 global centres across 75 countries. While the first USD 100 billion landmark can be attributed to the cost and quality advantage, the next USD 100 billion will be a combination of higher-value services and increasing non-linear growth. To sustain this growth, Indian IT-BPM industry is focusing on greater efficiencies, verticalized structures, geographical presence, IP based solutions, domain and increased collaboration across all stakeholders.





Source: NASSCOM

## FISCAL 2014 COMPARED TO FISCAL 2013 (YEAR ENDED 31 MARCH) – CONSOLIDATED

### REVENUE

In fiscal 2014, the total income aggregated to Rs 6,769.79 (Rs 8,476.85 lacs in fiscal 2013). 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

| Geography                | Rs. Lacs        |                 |
|--------------------------|-----------------|-----------------|
|                          | 2014            | 2013            |
| Malaysia                 | -               | 58.53           |
| United States of America | -               | 60.36           |
| United Arab Emirates     | 4,622.00        | 3,498.67        |
| Singapore                | 39.41           | 2,501.52        |
| India                    | 2,108.38        | 2,357.77        |
| <b>Total</b>             | <b>6,769.79</b> | <b>8,476.85</b> |

### EXPENDITURE

#### EMPLOYEE BENEFIT EXPENSES

The Consolidated 'Total Employee Costs' for fiscal 2014 was Rs. 225.03 lacs (Rs.499.56 lacs). Total employee cost as a percentage of total income was 3.32% (5.89% in fiscal 2013). This reduction of 2.57% was primarily due to decrease in headcount, marginal reduction for recession. The total employee strength is 104 in fiscal 2014 (138 in fiscal 2013).

#### 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.459.77 lacs in fiscal 2014 including bad debts written-off Rs 318.74 lacs (Rs 328.57 lacs in fiscal 2013). As a percentage of revenue, these expenses have increased from 3.88 % in fiscal 2013 to 6.79% in fiscal 2014.

#### EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES AND AMORTISATION (EBIDTA)

The earnings before interest, depreciation taxes and amortisation (EBIDTA) in fiscal 2014 were Rs.250.62 lacs (Rs 437.57 lacs in fiscal 2013). EBIDTA as a percentage of total income was 3.70% in fiscal 2014 (5.16% in fiscal 2013). The reason for this decrease is due to decreased earnings, increased overall costs.

#### INTEREST COSTS & DEPRECIATION

Interest expense was Rs. 155.29 lacs in fiscal 2014 (Rs 314.07 lacs in fiscal 2013) and Depreciation charge was Rs. 39.82 lacs in fiscal 2014 (Rs 43.38 lacs in fiscal 2013). The finance charges decreased due to retirement of certain loans and decrease in depreciation is due to sale of furniture & fittings and office equipments.

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### PROFIT BEFORE TAXES

The Profit before taxes in fiscal 2014 was Rs 55.52 lacs (Rs 80.12 lacs in fiscal 2013). As a percentage of revenue, the profit decreased to 0.82% in fiscal 2014 from 0.95% in fiscal 2013. The profit before tax decreased primarily due to reduction in overall earnings and increased costs.

### NET PROFIT BEFORE MINORITY INTEREST

The company's net profit before minority interest in fiscal 2014 was Rs 30.48 lacs. Net profit as a percentage of total income was 0.45%. The corresponding figures during the previous year in fiscal 2013 were Rs.98.80 lacs and at 1.17% of total income. The net margin decreased due to overall increase in costs and reduction in overall earnings.

### NET PROFIT (AFTER MINORITY INTEREST)

The Company's net profit (consolidated) was Rs. 12.68 lacs in fiscal 2014 (Rs 74.83 lacs in fiscal 2013). Net profit as a percentage of total income is 0.19% in fiscal 2014 (0.88% in fiscal 2013)

### FINANCIAL POSITION (CONSOLIDATED)

#### SHARE CAPITAL

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

|                                        | Rs. Lacs   |            |
|----------------------------------------|------------|------------|
|                                        | 31.03.2014 | 31.03.2013 |
| Authorised Share Capital               | 7000.00    | 7000.00    |
| Issued, Subscribed and Paid-up Capital | 4509.02    | 4509.02    |

#### RESERVES AND SURPLUS

Share Premium account stood at Rs. 3866.57 lacs in fiscal 2014 (Rs 3866.57 lacs in fiscal 2013)

Capital Reserve as at 31<sup>st</sup> March 2014 was Rs 453.63 lacs (Nil as at March 31, 2013)

The opening balance of reserves as at 31<sup>st</sup> March 2014 was Rs 2,796.06 lacs and the corresponding opening balance of reserves as at March 31, 2013 was Rs. 2,976.89 lacs

Profit and Loss Statement stood at Rs 3,262.37 lacs for the fiscal year ended 31<sup>st</sup> March 2014 (Rs 3,051.72 lacs as at March 31, 2013).

Reserves and Surplus at the end of fiscal 2014 was Rs 7,128.93 lacs, an increase of 3.04 % over Rs. 6,918.29 at the end of fiscal 2013.

#### DEFERRED TAX ASSET & DEFERRED TAX LIABILITY

As stated in accounting policies in Notes on Accounts, company had deferred tax liability in fiscal 2014 of Rs 5.84 lacs (Nil in fiscal 2013) and deferred tax asset (MAT) in fiscal 2014 of Rs.14.46 lacs (Rs 25.39 lacs in fiscal 2013)

#### FIXED ASSETS

Deletions to Gross Block in fiscal 2014 amounted to Rs. 8.15 lacs. The significant items of deletions in fiscal 2014 were furniture & fittings Rs. 5.59 lacs, lacs and office equipment Rs 2.56 lacs.

#### INVESTMENTS

Investments of Subsidiaries were Rs 2,605.67 lacs as at 31<sup>st</sup> March 2014 (Rs 860.92 lacs as at 31<sup>st</sup> March 2013).

#### CURRENT ASSETS

##### INVENTORIES

Inventory in fiscal 2014 stood at Rs. 85.15 lacs (Nil in fiscal 2013).

##### TRADE RECEIVABLES (UNSECURED)

Trade Receivables as at 31<sup>st</sup> March, 2014 aggregated to Rs. 5,990.05 lacs (Rs 6,954.41 lacs as at March 31, 2013). As a percentage of operating revenue, trade receivables were at 94.79% as at 31<sup>st</sup> March, 2014 as compared to 86.90% as at 31<sup>st</sup> March 2013. 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 CASH EQUIVALENTS

The company had total cash and bank balances of Rs. 404.92 lacs as at 31<sup>st</sup> March, 2014 (Rs 1,157.02 lacs). Balances held in fixed deposits with banks were Rs 12.01 lacs as at 31<sup>st</sup> March 2014 (Rs 1,054.23 lacs as at 31<sup>st</sup> March 2013).

**LOANS AND ADVANCES AND OTHERS**

Loans and advances as at 31<sup>st</sup> March 2014 were Rs 3,636.91 lacs (Rs 3,704.54 lacs as at 31<sup>st</sup> March 2013)

- a. Short-term loans and advances : Deposits, advances and others of Rs 685.01 lacs as at 31<sup>st</sup> March 2014 ( Rs 1,527.17 lacs as at 31<sup>st</sup> March 2013)
- b. Long-term loans and advances: Inter corporate loans of Rs. 2,951.90 lacs as at 31<sup>st</sup> March 2014 (Rs. 2,177.37 lacs as at 31<sup>st</sup> March 2013)

**OTHER NON-CURRENT ASSETS**

Advance for Investment of Rs 1,678.68 lacs as at 31<sup>st</sup> March 2014 (Rs 1,517.13 lacs as at 31<sup>st</sup> March 2013)

**OTHER CURRENT ASSETS**

Preliminary Expenses of Rs. 1.47 lacs as at 31<sup>st</sup> March 2014 (Rs.1.81 lacs at 31<sup>st</sup> March 2013)

**CURRENT LIABILITIES****SHORT TERM BORROWINGS**

Secured Loans at the end of fiscal 2014 were Rs 692.43 lacs (Rs 767.10 lacs in fiscal 2013)

Other Current Liabilities has decreased to Rs. 872.40 lacs as at 31<sup>st</sup> March 2014 as compared to Rs. 1,902.50 lacs as at 31<sup>st</sup> March 2013. This is primarily due to the following changes:

- a. Decrease in trade payables to Rs 359.57 lacs as at 31<sup>st</sup> March 2014 (Rs 1,894.88 lacs as at 31<sup>st</sup> March 2013).
- b. Unclaimed dividend of Rs 7.62 lacs as at 31<sup>st</sup> March 2014 (Rs. 7.62 lacs as at 31<sup>st</sup> March 2013)
- c. Increase in other outstanding liabilities to Rs.505.22 lacs as at 31<sup>st</sup> March 2014 (Rs Nil as at 31<sup>st</sup> March 2013)

**SHORT-TERM PROVISIONS**

Provisions made towards taxes aggregated to Rs 21.42 lacs as at 31<sup>st</sup> March 2014 as against Rs. 151.14 lacs as at 31<sup>st</sup> March 2013.

**Non Current Liabilities****Long Term Borrowings**

Unsecured loans at the end of fiscal 2014 were Rs. 1,032.60 lacs (Rs 2,242.26 lacs in fiscal 2013)

**Long Term Provisions**

Provision for Employee Benefits at the end of fiscal 2014 were Rs 33.56 lacs (Rs 27.63 lacs in fiscal 2013)

**CASH FLOW (CONSOLIDATED)****CASH FLOW FROM OPERATIONS**

In fiscal 2014, net cash generated was Rs 552.69 lacs (Rs. 1,356.18 lacs) from operating activities. Apart from net profit before taxes of Rs. 55.52 lacs (Rs 80.12 lacs) the net cash generated includes non cash items like depreciation of Rs. 39.82 lacs (Rs 43.38 lacs)

**CASH FLOW FROM INVESTING ACTIVITIES**

In fiscal 2014, the company used Rs. 4.74 lacs on investing activities (Rs 33.42 lacs in fiscal 2013).

**CASH FLOW FROM FINANCING ACTIVITIES**

In fiscal 2014, the significant item of cash used in financing activities includes proceeds of long term borrowings (net) Rs. 1,203.83 lacs (Rs 757.04 lacs), short-term borrowings (net) Rs 74.67 lacs (Rs 1,438.25 lacs). In fiscal 2013, significant item of cash used in financing activities were due to payment of interest Rs 155.29lacs (Rs 314.07 lacs).

**CASH POSITION**

Cash and cash equivalents as at 31<sup>st</sup> March, 2014 amounted to Rs. 404.92 lacs (Rs 1,157.02 lacs as at 31<sup>st</sup> March 2013)

**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 31<sup>st</sup> March 2014.

**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.

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### REVENUE FROM OPERATIONS

The company derives its revenues from Systems Integration, Customized Software Development, and 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 decreased to Rs. 1,212.99 lacs in fiscal 2014 from Rs 2,119.90 lacs in the fiscal 2013, a deceleration of nearly 1.75 times. Revenues decreased due to decreased sales and crisis in global market during the year.

### OTHER INCOME NET

Other income comprises interest on fixed deposits. Other income in fiscal 2014 was Rs 56.90 lacs & Exchange gain Rs 385.60 lacs (Rs 265.06 lacs & Exchange gain Rs 192.87 lacs in fiscal 2013)

### EXPENDITURE

#### EMPLOYEE BENEFIT EXPENSES

Employee Cost in fiscal 2014 was Rs 47.40 lacs (Rs. 321.36 lacs in fiscal 2013). Employee cost as a percentage of revenue was 2.86% in fiscal 2014 as compared to 12.47% in fiscal 2013. This decrease is due to reduction in man power resources and better realizations expected with fresh recruitments for executing newer practices.

#### 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 382.89 lacs in fiscal 2014 from Rs 182.21lacs in fiscal 2013 primarily due to bad debts written off Rs 303.59 lacs.

#### EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES AND AMORTIZATION (EBIDTA)

The EBIDTA in fiscal 2014 was Rs 166.62 lacs compared to Rs 232.08 lacs in fiscal 2013.

#### INTEREST COSTS & DEPRECIATION

Interest expenses decreased from Rs. 142.52 lacs in fiscal 2013 to Rs 85.67 lacs in fiscal 2014 and Depreciation charge was Rs. 24.35 lacs in fiscal 2014 (Rs 28.82 lacs in fiscal 2013). The finance charges decreased due to retirement of certain loans and decrease in depreciation is due to sale furniture & fittings and office equipments

#### PROFIT BEFORE TAXES

The Profit before taxes (PBT) in fiscal 2014 was Rs 56.61 lacs compared to Rs 60.74 lacs in fiscal 2013.

#### DIVIDEND

The Board has not recommended any Dividend for the year under review (in fiscal 2013 - Nil).

#### PROFIT AFTER TAX (PAT)

The company has achieved a PAT of Rs 31.57 lacs in fiscal 2014 as compared to Rs 85.95 lacs in fiscal 2013 decrease of 2.72 times.

### FINANCIAL POSITION (UNCONSOLIDATED)

#### SHARE CAPITAL

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

Rs lacs

|                                        | 31.03.2014 | 31.03.2013 |
|----------------------------------------|------------|------------|
| Authorised Share Capital               | 7000.00    | 7000.00    |
| Issued, subscribed and paid-up capital | 4509.02    | 4509.02    |

#### RESERVES AND SURPLUS

Share Premium account stood at Rs 3866.57 lacs in fiscal 2014 (Rs 3866.57 lacs in fiscal 2013).

Foreign Currency Translation Reserve was Rs 759.14 lacs in fiscal 2014 as against Rs 475.48 lacs in fiscal 2013.

Profit & Loss statement stood at Rs 760.40 lacs for the fiscal year ended 31<sup>st</sup> March, 2014 (fiscal year ended 31<sup>st</sup> March 2013 Rs. 728.80 lacs) Total Reserves and Surplus at the end of fiscal 2014 was Rs 5,386.10 lacs as compared to Rs 5,070.85 lacs in fiscal 2013.

#### DEFERRED TAX ASSET & DEFERRED TAX LIABILITY

As stated in accounting policies in Notes on Accounts on the fiscal 2014, company had deferred tax liability of Rs 5.84 lacs (Rs Nil) and deferred tax asset in fiscal 2014 was Rs 14.46 lacs (Rs 25.39 lacs in fiscal 2013) under MAT.



## FIXED ASSETS

Deletions to Gross Block in fiscal 2014 amounted to Rs.5.74 lacs. The significant items of deletions in fiscal 2014 were furniture & fittings Rs. 5.59 lacs, office equipment Rs.0.15 lacs,

## INVESTMENTS

Investments in wholly owned subsidiaries and other subsidiaries aggregated Rs 3,607.01lacs in fiscal 2014 as compared to Rs 3,411.80 lacs in fiscal 2013.

## CURRENT ASSETS

### INVENTORIES

Inventory in fiscal 2014 stood at Rs 85.15 lacs (fiscal 2013 Rs. Nil).

### TRADE RECEIVABLES (UN-SECURED)

Trade Receivables for the fiscal 2014 aggregated to Rs 1,632.69 lacs (Rs. 1,647.96 lacs for fiscal 2013). As a percentage of revenue, trade receivables were 134.60% in fiscal 2014 as compared to 77.74% in fiscal 2013. There had been an 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 CASH EQUIVALENTS

The company had cash and bank balances of Rs 366.58 lacs as at 31<sup>st</sup> March, 2014 ie., in fiscal 2014 compared to Rs. 756.13 lacs as at 31<sup>st</sup> March 2013 ie., fiscal 2013.

### LOANS AND ADVANCES

Loans and advances were Rs 5,326.91 lacs in fiscal 2014 as compared to Rs 4,324.46 lacs in fiscal 2013. This increase is primarily attributable to:

- a) **Long Term Loans and Advances:** Corporate advances of Rs 5,191.03 lacs in fiscal 2014 as compared to Rs 4,193.66 lacs in fiscal 2013.
- b) **Shor-term loans & Advances :** Deposits, advances and others were Rs 135.87 lacs in fiscal 2014 as compared to Rs 130.80 lacs in fiscal 2013.

## CURRENT LIABILITIES

### SHORT-TERM BORROWINGS

Secured Loans as at the end of fiscal 2014 was Rs 413.59 lacs against Rs. 357.51 lacs in fiscal 2013.

Other Current Liabilities decreased to Rs 665.33 lacs in fiscal 2014 as compared to Rs 232.40 lacs in fiscal 2013. The increase is primarily due to:

- a) Decrease in trade payables Rs 113.90 lacs as at 31<sup>st</sup> March 2014 compared to Rs 120.53 lacs as at 31<sup>st</sup> March 2013.
- b) Unclaimed dividend of Rs 7.62 lacs as at 31<sup>st</sup> March 2014 (Rs. 7.62 lacs as at 31<sup>st</sup> March 2013)
- c) Other liabilities increased Rs 543.81 lacs in fiscal 2014 as compared to Rs 104.25 lacs in fiscal 2013.

### Short-term Provisions

Provisions made towards taxes aggregated to Rs 2.41 lacs as at 31<sup>st</sup> March 2014 as against Rs. 13.78 lacs as at 31<sup>st</sup> March 2013.

## NON CURRENT LIABILITIES

### LONG-TERM BORROWINGS

Unsecured Loans in corporate borrowings as at the end of fiscal 2014 was Rs 371.35 lacs against Rs. 338.05 lacs in fiscal 2013.

### LONG TERM PROVISIONS

Provision for Employee Benefits at the end of fiscal 2014 were Rs 33.56 lacs (Rs 27.63 lacs in fiscal 2013)

## CASH FLOW (UNCONSOLIDATED)

### CASH FLOW FROM OPERATIONS

In fiscal 2014, net cash generated was Rs 915.65 lacs (Rs 1,663.47 lacs in fiscal 2013). Apart from net profit before taxes of Rs 56.61 lacs in fiscal 2014 (Rs 60.74 lacs) the net cash generated includes non cash items like depreciation of Rs.24.35 lacs (Rs 28.82 lacs in fiscal 2013)

### CASH FLOW FROM INVESTING ACTIVITIES

In fiscal 2014, the company used Rs. 74.23 lacs on investing activities (Rs 120.52 lacs in fiscal 2013).

### CASH FLOW FROM FINANCING ACTIVITIES

In fiscal 2014, the significant item of cash used in financing activities includes, long term borrowings (net) Rs.39.14 lacs (Rs 280.98 lacs in fiscal 2013), short-term borrowings (net) Rs.56.08 lacs (Rs 12.93 lacs in fiscal 2013).

## MANAGEMENTS' DISCUSSION AND ANALYSIS

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### CASH POSITION

Cash and cash equivalents as at 31<sup>st</sup> March, 2014 was Rs 366.58 lacs as compared to Rs. 756.13 lacs as at 31<sup>st</sup> March 2013.

### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of factors, including:

#### MACROECONOMIC TRENDS IN INDIA

The growth of our business is dependent on the performance of the Indian economy. The change in Indian as well as global economic conditions will adversely affect demand of our products.

#### DEMAND FOR IT SERVICES AND IT SPENDING IN INDIA

Our revenues are dependent on the growing demand of etc. any adverse change in their demand will affect the results of operations of our company.

Our business has grown due to demand for IT services in the BFSI, telecommunications, growing demand for IT services from the SME segment. IT spending arising from or related to the demand for IT services in India impacts our income, gross profits, operating margins and results of operations. As a result of the increase in demand for IT services in India, we have experienced a decrease in our total revenue of Rs 1,655.49 lacs in fiscal 2014, from Rs 2,577.83 Lacs in fiscal 2013, on a consolidated revenue of Rs. 6,769.79 Lacs in fiscal 2014 from Rs 8,476.85 Lacs in fiscal 2013

#### COMPETITION

We operate in an intensely competitive business environment. We compete with Indian and Global players who are in similar products and services and as such the competition may affect the growth and pricing of our product and services.

The markets in which we compete are rapidly changing and we face intense competition from other Indian-based IT service providers. We have faced, and continue to face competition from new market entrants. Our key competitors in our Enterprise Solutions business are domestic IT services providers such as CMC, HCL Technologies Limited, Tata Consultancy Services Limited and Wipro Limited, but we also face competition from global IT service providers such as HP and IBM through their Indian-based operations. Our key competitors in our Managed IT Services business are HP, IBM, Wipro Limited, HCL Technologies Limited and telecommunication companies and telecommunication service providers.

#### INTEREST RATES

With the high inflation rate in India the Government is taking all necessary steps to curb the inflation. As a monetary control the Reserve Bank of India is increasing their repo rate and CRR on time to time in the recent past that is resulting in increase in the rate of interest. This is causing increase in the cost of borrowings from the banks.

#### ABILITY TO SUSTAIN AND GROW KEY RELATIONSHIPS

##### CUSTOMERS

A key driver of our total revenue is the number and quality of our customer relationships, as well as the range of products and services we are able to cross-sell to each customer. The number of customers we serve depends on the reach and strength of our distribution network, which has been enhanced by the success of our partnerships. In addition, our business is dependent on maintaining our relationship with our customers in order to get repeat business. Our flexibility in working with a wide range of partners has also enabled us to offer cost competitive solutions which benefit our projects and our customers. In addition, we have started offering value-added services such as managed hosting, managed videoconferencing and hosted messaging that form part of our Managed IT Services business to both existing and new customers. During fiscal 2013, our Enterprise Solutions business and our Managed IT Services business made up % and % of our total revenue on a consolidated basis, respectively.

##### PARTNERS

We have undertaken large, multi-location projects which, by their very nature, involve partners such as, among others, OEMs, product partners and telecommunication companies, Our dealings with such partners over a period of time has enabled us to develop a strong eco-system of partners with whom we have jointly undertaken a number of projects. Our ability to continue to leverage our existing partnerships and establish new partnerships will have a material effect on our business, financial condition and results of operations.

#### ABILITY TO EFFECTIVELY MANAGE COSTS OF HARDWARE AND SOFTWARE

We enter into fixed price contracts for the hardware and software sourced for our Enterprise Solutions business and our Managed IT Services business and as a consequence, it can be difficult to pass on any subsequent increase in price to our customers of the actual cost of implementing our contracts, thereby impacting our margins. We are particularly subject to the risk of higher prices in relation to our IT services projects which are typically done under long-term contracts.

We purchase hardware and software at prices which depend on various factors such as a change in the market price and the introduction of new technologies in our products. These prices are also partially affected by the weakening in the Indian Rupee.

#### RISKS & CONCERNS

The Company expanded its sales focus to new geographies and entered new product areas especially in e-governance of Cooperative Credit Societies. Some of the major requirements for successes are (i) educating members of co-operative credit societies about the value of e-Governance, (ii) ensuring access to useful information and services (iii) coordinating local, regional and national e-government initiatives (iv) developing methods and performance indicators to assesses services and standard of e-governance, (v) technology management (vi) process, re-engineering, sustenance, technical manpower and development of infrastructure.

The management is continuously watching the aforesaid key risk factors, it is sure that the company can leverage better performance resulting better profits in the coming years. It is also exploring avenues to expand geographically and is also looking for good alliance partners.

### **INTERNAL CONTROL SYSTEM & ADEQUACY**

The Company's internal control systems are commensurate with the nature of its business. The company maintains an adequate internal control system. Periodical audit is being conducted and reports prepared thereon are submitted to the Management as well as the Audit Committee for its review. The Audit Committee reviews internal audit reports, operational, financial and risk management policies etc and takes appropriate action/recommends to the Board.

### **HUMAN RESOURCE DEVELOPMENT**

Among the available resources human resources plays a vital role in strengthening the future of the company and the company is fully aware of the same. A major shift in top line of the management along with the strong and trained employee base at all levels provided a fresh congenial working atmosphere with creative thinking resulting in professionalism across the company. As your company feels that human resource is very vital, as part of its continuous man power development, various trainings have been organized for employees wherever necessary.

The employees are trained on the mission and vision of the company and are kept abreast of the current business situation.

### **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.

# AUDITORS' REPORT

## To the members of INFO-DRIVE SOFTWARE LIMITED

1. I have audited the attached Balance Sheet of INFO-DRIVE SOFTWARE LIMITED, as at 31<sup>st</sup> March 2014, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. I have not audited the Balance Sheet and related statement of Profit and Loss of the Branch office situated in Singapore and the same has been included in the above financial statements as certified by the management. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my 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(s). 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, as amended by the Companies (Auditor's Report) Amendment) Order 2004 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 Notes forming part of financial statements for the year ended March 31, 2014 in connection with the value of investments:

The value of investments in Info-Drive Software Inc, USA (wholly owned subsidiary) have diminished and eroded the entire capital of the company as on the date of balance sheet. No provision for such diminution in value of investments is made in the books of the company.

### 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, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In my opinion, the Balance Sheet, the Statement of Profit and Loss 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, 2014 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 31<sup>st</sup> March 2014;
  - ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - 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**

Place: Chennai  
Date: 30.05.2014

# ANNEXURE TO THE AUDITORS' 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, during the year all the fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
- c) The fixed assets disposed off during the year, in my opinion; do not constitute a substantial part of fixed assets of the company.
- ii) a) As explained to me, the inventory have been physically verified by the management at reasonable intervals.
- b) In my opinion and according to the information and explanations given to me, the procedure 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) In my opinion and according to the information and explanations given to me, the company has maintained proper records of inventory and the discrepancies between the physical stocks and the book stocks on such verification 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. Therefore, the sub-clauses (a) to (g) under this clause are not applicable to the company.
- 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 31<sup>st</sup> March, 2014 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 the following.

| Name of Statute | Nature of the Dues | Amount (Rs) | Period to which the amount relates | Forum where the dispute is pending      |
|-----------------|--------------------|-------------|------------------------------------|-----------------------------------------|
| Income-tax      | Income-tax         | 0           | AY 2004-05                         | Commissioner of Income-tax, Appeals III |
| Income-tax      | TDS                | 33,44,226   | AY 2010-11                         | Income-tax Appellate Tribunal (ITAT)    |
| Income-tax      | TDS                | 1,65,15,087 | AY 2011-12                         | Income-tax Appellate Tribunal (ITAT)    |
| Income-tax      | Income-tax         | 3,18,73,620 | AY2010-11                          | Commissioner of Income-tax, Appeals III |

- x) The company does not have any accumulated losses at the end of the year. The company has not incurred cash loss during the financial year and the immediately preceding financial year.
- xi) *Based on my audit procedures and on the information and explanations given by the management, the company has defaulted in repayment of dues to Axis Bank Limited, Anna Salai Branch, Chennai.*
- 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 company has given corporate guarantees for loans taken from banks by the wholly owned subsidiary company in Singapore. The terms and conditions whereof are not prejudicial to the interests of the company.
- 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.

Place: Chennai  
Date: 30.05.2014

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

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

# BALANCE SHEET AS AT 31ST MARCH 2014

Rs Lacs

| Particulars                                                | Note No     | As at<br>March 31,2014 | As at<br>March 31,2013 |
|------------------------------------------------------------|-------------|------------------------|------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                           |             |                        |                        |
| Shareholder's Funds                                        |             |                        |                        |
| (a) Share Capital                                          | 3           | 4,509.02               | 4,509.02               |
| (b) Reserves and Surplus                                   | 4           | 5,386.10               | 5,070.85               |
| <b>Non-Current Liabilities</b>                             |             |                        |                        |
| (a) Long-term borrowings                                   | 5 (a)       | 371.35                 | 338.05                 |
| (b) Long-term provisions                                   | 5 (b)       | 33.56                  | 27.63                  |
| (c) Deferred tax liabilities (Net)                         | 6 (a)       | 5.84                   | -                      |
| <b>Current Liabilities</b>                                 |             |                        |                        |
| (a) Short-term borrowings                                  | 7           | 413.59                 | 357.51                 |
| (b) Trade payables                                         | 8           | 113.90                 | 120.53                 |
| (c) Other current liabilities                              | 9           | 551.43                 | 111.87                 |
| (d) Short-term provisions                                  | 10          | 2.41                   | 13.78                  |
|                                                            |             | <b>11,387.20</b>       | <b>10,549.24</b>       |
| <b>II. ASSETS</b>                                          |             |                        |                        |
| <b>Non-current assets</b>                                  |             |                        |                        |
| (a) Fixed assets                                           |             |                        |                        |
| (i) Tangible assets                                        | 11          | 354.42                 | 383.50                 |
| (b) Non-current investments                                | 12          | 3,607.01               | 3,411.80               |
| (c) Deferred tax assets (net)                              | 6 (b)       | 14.46                  | 25.39                  |
| (d) Long term loans and advances                           | 13          | 5,191.03               | 4,193.66               |
| <b>Current assets</b>                                      |             |                        |                        |
| (a) Inventories                                            | 14          | 85.15                  | -                      |
| (b) Trade receivables                                      | 15          | 1,632.69               | 1,647.96               |
| (c) Cash and cash equivalents                              | 16          | 366.58                 | 756.13                 |
| (d) Short-term loans and advances                          | 17          | 135.87                 | 130.80                 |
|                                                            |             | <b>11,387.20</b>       | <b>10,549.24</b>       |
| <b>III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b> | <b>1-28</b> |                        |                        |

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Giridhar**  
Manager

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

Place : Chennai  
Date : 30.05.2014

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

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Rs Lacs

| Particulars                                                 | Note No     | 2014            | 2013            |
|-------------------------------------------------------------|-------------|-----------------|-----------------|
| <b>I. REVENUE FROM OPERATIONS</b>                           | 18          | 1,212.99        | 2,119.90        |
| <b>II. OTHER INCOME</b>                                     | 19          | 442.50          | 457.93          |
| <b>Total Revenue (I + II)</b>                               |             | <b>1,655.49</b> | <b>2,577.83</b> |
| <b>III. EXPENSES:</b>                                       |             |                 |                 |
| a) Cost of materials/services consumed                      | 20          | 1,058.58        | 1,842.18        |
| b) Employee benefit expenses                                | 21          | 47.40           | 321.36          |
| c) Financial costs                                          | 22          | 85.67           | 142.52          |
| d) Depreciation and amortization expenses                   | 23          | 24.35           | 28.82           |
| e) Other expenses                                           | 24          | 382.89          | 182.21          |
| <b>Total Expenses</b>                                       |             | <b>1,598.88</b> | <b>2,517.09</b> |
| <b>IV. PROFIT BEFORE TAX (I+II-III)</b>                     |             | <b>56.61</b>    | <b>60.74</b>    |
| <b>V. TAX EXPENSE:</b>                                      |             |                 |                 |
| (1) Current tax                                             |             | 16.77           | (10.73)         |
| (2) Deferred tax/Adjustment for MAT                         |             | 8.27            | (14.48)         |
| <b>VI. PROFIT CARRIED TO BALANCE SHEET</b>                  |             | <b>31.57</b>    | <b>85.95</b>    |
| <b>VII. EARNING PER EQUITY SHARE:</b>                       | <b>25</b>   |                 |                 |
| (1) Basic                                                   |             | 0.07            | 0.19            |
| (2) Diluted                                                 |             | 0.07            | 0.19            |
| <b>VIII. Notes Forming Part of the Financial Statements</b> | <b>1-28</b> |                 |                 |

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Giridhar**  
Manager

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

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

Place : Chennai  
Date : 30.05.2014



# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Rs Lacs

| Particulars                                               | Note No | 2014            | 2013              |
|-----------------------------------------------------------|---------|-----------------|-------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                |         |                 |                   |
| Net Profit before taxes                                   |         | 56.61           | 60.74             |
| Adjustments for                                           |         |                 |                   |
| Depreciation                                              |         | 24.35           | 28.82             |
| Interest Income                                           |         | (56.20)         | (216.15)          |
| Loss on sale of assets                                    |         | 3.90            | 18.26             |
| Interest paid                                             |         | 75.19           | 129.53            |
| Exchange Fluctuation                                      |         | (385.60)        | (192.87)          |
| <b>Operating profit before working capital changes</b>    |         | <b>(281.75)</b> | <b>(171.67)</b>   |
| Adjustments for increase/ (-) decrease in                 |         |                 |                   |
| Trade receivables                                         |         | 15.27           | 332.94            |
| Loans, advances and other current assets                  |         | (991.51)        | (1,749.33)        |
| Inventories                                               |         | (85.15)         | -                 |
| Current Liabilities & Provisions                          |         | 427.48          | (75.41)           |
| Cash generated from/(used in) operations                  |         | (915.65)        | (1,663.47)        |
| Exchange Fluctuation                                      |         | 385.60          | 192.87            |
| Taxes paid                                                |         | (25.04)         | 25.21             |
| <b>Net cash from operating activities</b>                 |         | <b>(555.10)</b> | <b>(1,445.39)</b> |
| <b>B. Cash flow from investing activities:</b>            |         |                 |                   |
| Investment in Subsidiary Companies                        |         | -               | (100.02)          |
| Purchase/advance for fixed assets                         |         | -               | (2.07)            |
| Proceeds from sale/withdrawn of fixed assets              |         | 5.74            | 148.23            |
| Withdrawal of depreciation                                |         | (1.00)          | (12.24)           |
| Interest Income                                           |         | 56.20           | 216.15            |
| Interest paid                                             |         | (75.19)         | (129.53)          |
| Foreign currency translation                              |         | 88.48           | -                 |
| <b>Net cash flow from/(used in) investing activities</b>  |         | <b>74.23</b>    | <b>120.52</b>     |
| <b>C. Cash flow from financing activities:</b>            |         |                 |                   |
| Proceeds from Long term borrowings (Net)                  |         | 39.14           | (280.98)          |
| Proceeds from Short term borrowings (Net)                 |         | 56.08           | 12.93             |
| Loss on sale of assets                                    |         | (3.90)          | (18.26)           |
| <b>Net cash from financing activities</b>                 |         | <b>91.32</b>    | <b>(286.31)</b>   |
| <b>Net increase/decrease in cash and cash equivalents</b> |         | <b>(389.55)</b> | <b>(1,611.18)</b> |
| Cash & Cash equivalents (Opening Balance)                 |         | 756.13          | 2,367.31          |
| Cash & Cash equivalents (Closing Balance)                 |         | 366.58          | 756.13            |
| <b>Component of Cash and Cash equivalents</b>             |         |                 |                   |
| Cash on hand                                              |         | 0.02            | 0.48              |
| Balance with Banks                                        |         |                 |                   |
| i. Available with the company for day to day operations   |         | 346.93          | 12.05             |
| ii. Amount available in unclaimed dividend accounts       |         | 7.63            | 7.62              |
| iii. Earmarked bank deposits                              |         | 12.01           | 735.98            |

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Girdhar**  
Manager

**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 Statement of Profit and Loss and Balance Sheet.

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

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

Place : Chennai  
Date : 30.05.2014

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes attached to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2014

## 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.

The company had paid an amount of Rs.269.82 lacs to Kashi Infotech Private Limited to acquire/take over the assets and the same has been shown under fixed assets. This is due to the fact that during the offer document for Rights Issue in July 2007 Kashi Infotech delivering healthcare business was proposed to be acquired. Kashi Infotech is stabilizing their business in health care with firm orders and the same would be firmed up in the next financial year.

### 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.

- Current investments

Info-Drive Software Inc. USA, : Rs.Nil (Rs.1,01,42,693/- )

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: Provision for Income Tax is made as per the applicable rules under the Income-tax Act, 1961. 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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

**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

(i) Secured loan includes Working Capital (Cash Credit facility) from Axis Bank Ltd against bills receivable and book debts. Axis Bank has preferred legal action on recovery of overdue of Rs. 403.78 lacs (upto 30<sup>th</sup> Sept 2013) through DRT (Debt Recovery Tribunal) with interest till date of settlement. The company has disputed the claim and also insertion of mark-to-market (MTM) by Axis Bank Ltd and is awaiting decision by DRT and hence no interest provisions have been made from 1<sup>st</sup> October to the date of Balance Sheet.

(ii) Secured Loan includes outstanding dues to Indian Overseas Bank against undertakings.

i. Inventories and WIP (Projects): Rs. 85.15 Lacs (Previous year Nil)

j. Preliminary and Issue Expenses: Nil

k. Segment reporting:

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

### I. 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.

| SI.No. | Name of the related party                  | Nature of relationship                                                    |
|--------|--------------------------------------------|---------------------------------------------------------------------------|
| 1.     | Info-Drive Software Inc. USA               | Subsidiary Companies                                                      |
| 2.     | Info-Drive Software LLC, Dubai             |                                                                           |
| 3.     | Infodrive Enterprises Pte Ltd., Singapore  |                                                                           |
| 4.     | Info-Drive Systems Sdn Bhd, Malaysia       |                                                                           |
| 5.     | Info-Drive Software Limited, Canada        |                                                                           |
| 6.     | Infodrive Mauritius Limited, Mauritius     |                                                                           |
| SI.No. | Name of the related party                  | Nature of relationship                                                    |
| 7.     | Technoprism LLC, USA                       | Fellow Subsidiary Company<br>(Subsidiary of Info-Drive Software Inc, USA) |
| 8.     | Info Drive Technologies Co., Ltd, Thailand | Associate Company (of Infodrive Enterprises Pte Ltd., Singapore)          |
| 9.     | ANL Madhavann                              | Key Management personnel                                                  |
| 10.    | Ajay K Mehta                               |                                                                           |
| 11.    | A.S.Giridhar                               |                                                                           |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Sl.No. | Nature of Transaction    | Name of the related party                 | 31.03.2014 (in Rs.)           | 31.03.2013 (in Rs.)           |
|--------|--------------------------|-------------------------------------------|-------------------------------|-------------------------------|
| 1.     | Investment in Equity     | Info-Drive Software Inc., USA             | 1,81,17,880                   | 1,63,74,268                   |
|        |                          | Info-Drive Software LLC., Dubai           | 5,55,90,000                   | 5,02,52,000                   |
|        |                          | Infodrive Enterprises Pte Ltd., Singapore | 3,91,38,600                   | 3,58,66,800                   |
|        |                          | Info-Drive Systems Sdn Malaysia           | 24,18,48,643                  | 23,32,59,617                  |
|        |                          | Info-Drive Software Ltd., Canada          | 54                            | 53                            |
|        |                          | Infodrive Mauritius Limited, Mauritius    | 60,06,000                     | 54,28,000                     |
| 2.     | Advance given            | Info-Drive Software Inc., USA             | 6,17,11,650                   | 5,57,72,700                   |
|        |                          | Info-Drive Software LLC., Dubai           | 5,73,60,313                   | 5,43,86,158                   |
|        |                          | Info-Drive Software Ltd., Canada          | 75,563                        | 74,145                        |
|        |                          | Infodrive Mauritius Limited, Mauritius.   | 4,56,93,648                   | 4,12,96,224                   |
|        |                          | Infodrive Enterprises Pte Ltd, Singapore  | 26,11,28,546                  | 22,25,26,013                  |
| 3.     | Sales & Others           | Info-Drive Software Inc., USA             | Nil                           | 41,56,092                     |
|        |                          | Info-Drive Software LLC., Dubai           | Nil                           | 1,39,08,818                   |
| 4.     | Corporate Guarantee (CG) | Infodrive Enterprises Pte Ltd., Singapore | 27,09,50,300<br>SGD 5.925 Mio | 27,09,50,300<br>SGD 5.925 Mio |

### A) 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 Statement of Profit and Loss relating to exports/services during the year.
- Exchange difference gain/ (loss) recognised in the Balance Sheet relating to investments as Foreign Currency Translation Reserve.
- As per Accounting Standard 11 (Integral foreign operations) issued by the Institute of Chartered Accountants of India the impact of exchange difference gain or loss has not been considered in respect of branch operations in Singapore.

### A AUDITORS REMUNERATION

In Rs.

|                    | 2014     | 2013     |
|--------------------|----------|----------|
| As auditors        | 4,00,000 | 5,00,000 |
| As tax auditors    | 75,000   | 2,00,000 |
| For other services | 25,000   | 50,000   |

#### a) Contingent Liabilities:

- SBLC (stand by letter of credit) renewed in favour of Indian Overseas Bank, Singapore has been pre-maturely invoked resulting in reduction of entire security of fixed deposits. However corporate guarantee (CG) issued would be nullified after settlement of all dues by the subsidiary company in Singapore.
- The appeal filed by the company 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 has not been disposed off as yet; However, there is no demand of tax.
- The company has preferred an appeal before the Income Tax Appellate Tribunal (ITAT) for the demands raised on account of TDS on international transactions by CIT (A) for AY 2010-11 Rs.33,44,226 and for AY 2011-12 of Rs.165,15,087 respectively. No provision has been made for this contingency on demands as the company is confident of winning the appeal.
- The company has filed appeal with the Commissioner of Income-tax, Appeals (II) in respect of the assessment year 2010-11 for Rs. 3,01,84,966/- which arose on account of denial of deduction u/s.10B and u/s 115JB for section 80HHC of the Income Tax Act 1961 . In view of confident of winning the appeal no provision has been made in the books of account.

**P. DUE TO SSI's:**

As at 31<sup>st</sup> March 2014 the company has no outstanding dues to Micro Enterprises, Small Enterprises and Small Scale Industrial Undertakings.

**Q. FOREIGN CURRENCY TRANSACTIONS:**

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

|                                 | Rs. lacs    |             |
|---------------------------------|-------------|-------------|
|                                 | <b>2014</b> | <b>2013</b> |
| Earnings in Foreign Currency    | 34.06       | 638.18      |
| Expenditure in Foreign Currency | 2.62        | 214.44      |
| Investment in Foreign Currency  | Nil         | 100.03      |

**A. UNCLAIMED DIVIDEND**

For the past three financial years the total unclaimed dividends amounted to Rs.7,61,713 comprising of Rs.277,734 (2007-2008),Rs 236,194 (2008-2009) and Rs.2,47,785 (2009-2010) respectively.

**A. CONFIRMATIONS FROM TRADE RECEIVABLES, PAYABLES, LOANS AND ADVANCES**

Confirmation of balances from Trade Receivables, Payables 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.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs Lacs

| Particulars                                                                                                                                                                                                                                                                                                                                       | As at<br>March 31,2014 | As at<br>March 31,2013 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>3. Share Capital</b>                                                                                                                                                                                                                                                                                                                           |                        |                        |
| Authorised capital 7,00,00,000 equity shares of Rs.10/- each                                                                                                                                                                                                                                                                                      | 7,000.00               | 7,000.00               |
| Issued, subscribed and paid up capital<br>4,50,90,220 equity shares of Rs.10/- each                                                                                                                                                                                                                                                               | 4,509.02               | 4,509.02               |
|                                                                                                                                                                                                                                                                                                                                                   | <b>4,509.02</b>        | <b>4,509.02</b>        |
| <b>a) Reconciliation of number of shares</b>                                                                                                                                                                                                                                                                                                      |                        |                        |
| <b>Equity shares</b>                                                                                                                                                                                                                                                                                                                              |                        |                        |
| Opening balance 4,50,90,220                                                                                                                                                                                                                                                                                                                       | 4,509.02               | 4,509.02               |
| Changes during the year - Nil                                                                                                                                                                                                                                                                                                                     | -                      | -                      |
| Closing balance 4,50,90,220                                                                                                                                                                                                                                                                                                                       | <b>4,509.02</b>        | <b>4,509.02</b>        |
| <b>b) Rights and restrictions attached to shares</b>                                                                                                                                                                                                                                                                                              |                        |                        |
| <b>Equity Shares:</b>                                                                                                                                                                                                                                                                                                                             |                        |                        |
| The company has one class of equity shares having a par value of Rs.10/- each. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential payments, in proportion to their shareholding. |                        |                        |
| <b>c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>                                                                                                                                                                                                                                      |                        |                        |
| The Indiaman Fund (Mauritius) Ltd                                                                                                                                                                                                                                                                                                                 | 3,788,250<br>8.40%     | 3,788,250<br>8.40%     |
| India Max Investment Fund Ltd                                                                                                                                                                                                                                                                                                                     | 3,004,033<br>6.66%     | 3,004,033<br>6.66%     |
| Credo India Thematic Fund Ltd                                                                                                                                                                                                                                                                                                                     | 2,719,330<br>6.03%     | 2,719,330<br>6.03%     |
| <b>d) Aggregate number and class of shares allotted as fully paid up by way of preferential allotment (during 5 years preceding March 31, 2014) Nil</b>                                                                                                                                                                                           |                        |                        |
| <b>4. Reserves &amp; Surplus</b>                                                                                                                                                                                                                                                                                                                  |                        |                        |
| a) Share premium account                                                                                                                                                                                                                                                                                                                          | <b>3,866.57</b>        | <b>3,866.57</b>        |
| b) Foreign currency translation reserve                                                                                                                                                                                                                                                                                                           |                        |                        |
| Opening balance                                                                                                                                                                                                                                                                                                                                   | 475.46                 | 361.42                 |
| Additions during the year (Net)                                                                                                                                                                                                                                                                                                                   | 283.67                 | 114.06                 |
|                                                                                                                                                                                                                                                                                                                                                   | <b>759.14</b>          | <b>475.48</b>          |
| c) Surplus in Statement of Profit and loss                                                                                                                                                                                                                                                                                                        |                        |                        |
| Opening balance                                                                                                                                                                                                                                                                                                                                   | 728.83                 | 642.85                 |
| Add: Profit for the year                                                                                                                                                                                                                                                                                                                          | 31.57                  | 85.95                  |
|                                                                                                                                                                                                                                                                                                                                                   | 760.40                 | 728.80                 |
|                                                                                                                                                                                                                                                                                                                                                   | <b>5,386.10</b>        | <b>5,070.85</b>        |
| <b>Non Current Liabilities</b>                                                                                                                                                                                                                                                                                                                    |                        |                        |
| <b>5. Long Term Borrowings</b>                                                                                                                                                                                                                                                                                                                    |                        |                        |
| Un-secured Loans                                                                                                                                                                                                                                                                                                                                  |                        |                        |
| Corporate borrowings                                                                                                                                                                                                                                                                                                                              | 371.35                 | 338.05                 |
|                                                                                                                                                                                                                                                                                                                                                   | <b>371.35</b>          | <b>338.05</b>          |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Rs Lacs

| Particulars                                     | As at<br>March 31,2014 | As at<br>March 31,2013 |
|-------------------------------------------------|------------------------|------------------------|
| <b>5 (a) Long Term Provisions</b>               |                        |                        |
| Provision for employee benefits                 | 33.56                  | 27.63                  |
|                                                 | <b>33.56</b>           | <b>27.63</b>           |
| <b>6 (a) Deferred tax Liabilities (Net)</b>     |                        |                        |
| Depreciation and amortisation                   | 5.84                   | -                      |
|                                                 | <b>5.84</b>            | <b>-</b>               |
| <b>(b) Deferred tax assets (net)</b>            |                        |                        |
| Business losses                                 | 14.46                  | 25.39                  |
|                                                 | <b>14.46</b>           | <b>25.39</b>           |
| <b>Current Liabilities</b>                      |                        |                        |
| <b>7. Short-term borrowings</b>                 |                        |                        |
| From banks Cash Credit-Secured on book debts    | 413.59                 | 357.51                 |
|                                                 | <b>413.59</b>          | <b>357.51</b>          |
| <b>8. Trade payables</b>                        |                        |                        |
| Trade payables                                  | 113.90                 | 120.53                 |
|                                                 | <b>113.90</b>          | <b>120.53</b>          |
| <b>9. Other current liabilities</b>             |                        |                        |
| Current maturities of hire purchase obligations | -                      | 1.55                   |
| Unclaimed Dividend                              | 7.62                   | 7.62                   |
| Advance received for projects                   | 505.22                 | -                      |
| Expenses Payable                                | 38.59                  | 102.70                 |
|                                                 | <b>551.43</b>          | <b>111.87</b>          |
| Outstanding liabilities comprise:               |                        |                        |
| - Statutory liabilities                         | 11.14                  | 6.07                   |
| - Others                                        | 27.45                  | 96.63                  |
| <b>10. Short-term provisions</b>                |                        |                        |
| Provision for taxation                          | 2.41                   | 13.78                  |
|                                                 | <b>2.41</b>            | <b>13.78</b>           |
| <b>Non Current Assets</b>                       |                        |                        |
| <b>11. Fixed assets</b>                         |                        |                        |
| i) Tangible assets                              | 354.42                 | 383.50                 |
|                                                 | <b>354.42</b>          | <b>383.50</b>          |

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 11. Fixed Assets

| Fixed assets consist of the following |                           |                                 |           |             |                                  |                                              |                           |             |                                               | Rs Lacs                        |  |
|---------------------------------------|---------------------------|---------------------------------|-----------|-------------|----------------------------------|----------------------------------------------|---------------------------|-------------|-----------------------------------------------|--------------------------------|--|
| Net Block as at March 31, 2013        | Description               | Gross Block as at April 1, 2013 | Additions | Deletion    | Gross Block as at March 31, 2014 | Accumulated Depreciation as at April 1, 2013 | Depreciation for the year | Deletions   | Accumulated Depreciation as at March 31, 2014 | Net Block as at March 31, 2014 |  |
|                                       | <b>i) Tangible assets</b> |                                 |           |             |                                  |                                              |                           |             |                                               |                                |  |
| 0.01                                  | Plant & Machinery         | 17.57                           | -         | -           | 17.57                            | 17.56                                        | 0.01                      | -           | 17.57                                         | -                              |  |
| 49.80                                 | Furniture & Fittings      | 78.21                           | -         | 5.59        | 72.62                            | 28.41                                        | 4.80                      | 0.85        | 32.36                                         | 40.26                          |  |
| 24.83                                 | Office Equipments         | 30.64                           | -         | 0.15        | 30.49                            | 5.81                                         | 1.45                      | 0.15        | 7.11                                          | 23.38                          |  |
| 13.90                                 | Electrical Installations  | 15.79                           | -         | -           | 15.79                            | 1.89                                         | 0.75                      | -           | 2.64                                          | 13.15                          |  |
| 20.56                                 | Computers                 | 125.11                          | -         | -           | 125.11                           | 104.55                                       | 12.75                     | -           | 117.30                                        | 7.81                           |  |
| 4.59                                  | Software Package          | 35.04                           | -         | -           | 35.04                            | 30.45                                        | 4.59                      | -           | 35.04                                         | -                              |  |
| 269.82                                | Advance for assets        | 269.82                          | -         | -           | 269.82                           | -                                            | -                         | -           | -                                             | 269.82                         |  |
| <b>383.51</b>                         | <b>Total</b>              | <b>572.18</b>                   | <b>-</b>  | <b>5.74</b> | <b>566.44</b>                    | <b>188.67</b>                                | <b>24.35</b>              | <b>1.00</b> | <b>212.02</b>                                 | <b>354.42</b>                  |  |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs Lacs

| Particulars                                                                                | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
|--------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>12. Non Current Investments</b>                                                         |                         |                         |
| Info-Drive Software Inc., USA<br>(301,663 shares of US\$ 1 each fully paid up)             | 181.18                  | 163.74                  |
| Info-Drive Systems Sdn Bhd., Malaysia<br>(10,00,000 shares of RM 1 each fully paid up)     | 2,418.49                | 2,332.60                |
| Info-Drive Software LLC., Dubai<br>(240 shares of Dirhams 1000 each fully paid up)         | 555.90                  | 502.51                  |
| Info-Drive Software Pte Ltd., Singapore<br>(820,000 shares of SGD \$ 1 each fully paid up) | 391.37                  | 358.66                  |
| Infodrive Mauritius Limited -Mauritius<br>(1,00,000 shares of US\$ 1 each fully paid up)   | 60.06                   | 54.28                   |
| Info-Drive Software Limited, Canada<br>(100 shares of CAD 1 each fully paid up)            | 0.01                    | 0.01                    |
|                                                                                            | <b>3,607.01</b>         | <b>3,411.80</b>         |
| <b>13. Long term loans and advances</b>                                                    |                         |                         |
| Considered good                                                                            |                         |                         |
| Corporate advances                                                                         | 5,191.03                | 4,193.66                |
|                                                                                            | <b>5,191.03</b>         | <b>4,193.66</b>         |
| Corporate advances comprise:                                                               |                         |                         |
| - Related parties                                                                          |                         |                         |
| Info-Drive Software Inc., USA                                                              | 617.12                  | 557.73                  |
| Info-Drive Software LLC., Dubai                                                            | 573.60                  | 543.86                  |
| Info-Drive Software Limited, Canada                                                        | 0.76                    | 0.74                    |
| Infodrive Mauritius Limited, Mauritius                                                     | 456.94                  | 412.96                  |
| Infodrive Enterprises Pte Ltd., Singapore                                                  | 3,156.19                | 2,225.26                |
| - Others                                                                                   | 386.43                  | 453.11                  |
| <b>Current Assets</b>                                                                      |                         |                         |
| <b>14. Inventories</b>                                                                     |                         |                         |
| Closing Stock (WIP)                                                                        | 85.15                   | -                       |
| <b>15. Trade receivables (Un-secured)</b>                                                  |                         |                         |
| Debtors due for > 6 Months (Considered good)                                               | 1,592.43                | 1,636.04                |
| Other debtors (Considered good)                                                            | 40.26                   | 11.92                   |
|                                                                                            | <b>1,632.69</b>         | <b>1,647.96</b>         |
| <b>16. (a) Cash and cash equivalents</b>                                                   |                         |                         |
| Cash in hand                                                                               | 0.02                    | 0.48                    |
| Balance in banks in current accounts                                                       | 346.93                  | 12.05                   |
|                                                                                            | 346.95                  | 12.53                   |
| <b>(b) Other bank balances</b>                                                             |                         |                         |
| Earmarked balances with banks-unclaimed dividend                                           | 7.63                    | 7.62                    |
| Earmarked term deposits with banks-Guarantees                                              | 12.01                   | 735.98                  |
|                                                                                            | 366.58                  | 756.13                  |
| <b>17. Short-term loans and advances (Considered good)</b>                                 |                         |                         |
| Staff advances                                                                             | -                       | 0.70                    |
| Other advances                                                                             | 135.87                  | 130.10                  |
|                                                                                            | 135.87                  | 130.80                  |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs Lacs

| Particulars                                       | 2014            | 2013            |
|---------------------------------------------------|-----------------|-----------------|
| <b>18. Revenue from operations</b>                |                 |                 |
| Sale of goods and services                        | 1,212.99        | 2,119.90        |
|                                                   | <b>1,212.99</b> | <b>2,119.90</b> |
| <b>19. Other income</b>                           |                 |                 |
| Interest income                                   | 56.20           | 216.15          |
| Exchange fluctuation gain/(loss)                  | 385.60          | 192.87          |
| Reimbursement of SBLC                             | -               | 39.41           |
| Misc.Income                                       | 0.55            | 8.26            |
| Bad Debts Written Back                            | 0.15            | 1.24            |
|                                                   | <b>442.50</b>   | <b>457.93</b>   |
| <b>20. Expenses</b>                               |                 |                 |
| Cost of Material/services consumed                |                 |                 |
| Opening stock                                     | -               | -               |
| Add: Material/services                            | 1,143.73        | 1,842.18        |
| Less: Closing stock                               | 85.15           | -               |
|                                                   | <b>1,058.58</b> | <b>1,842.18</b> |
| <b>21. Employee benefit expenses</b>              |                 |                 |
| Salary & allowances                               | 38.60           | 301.70          |
| EPF & ESI Payments                                | 0.33            | 3.17            |
| Gratuity                                          | 5.93            | 6.19            |
| Leave Salary                                      | 1.38            | 6.48            |
| Staff welfare                                     | 1.16            | 3.82            |
|                                                   | <b>47.40</b>    | <b>321.36</b>   |
| <b>22. Financial costs</b>                        |                 |                 |
| Bank Charges                                      | 10.48           | 12.99           |
| Interest paid                                     | 75.19           | 129.53          |
|                                                   | <b>85.67</b>    | <b>142.52</b>   |
| <b>23. Depreciation and amortisation expenses</b> |                 |                 |
| Depreciation                                      | 24.35           | 28.82           |
|                                                   | <b>24.35</b>    | <b>28.82</b>    |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs Lacs

| Particulars                      | 2014          | 2013          |
|----------------------------------|---------------|---------------|
| <b>24. OTHER EXPENSES</b>        |               |               |
| Rent & Amenities                 | 23.08         | 31.33         |
| Printing & Stationery            | 2.75          | 9.69          |
| Postage Expenses                 | 0.62          | 2.05          |
| Telephone Expenses               | 1.62          | 8.79          |
| Compensation paid                | -             | 1.68          |
| Travelling & Conveyance          | 13.09         | 43.18         |
| Rates & Taxes                    | 0.32          | 2.14          |
| Electricity Expenses             | 7.18          | 11.39         |
| Insurance                        | 0.07          | 2.46          |
| Audit Fees                       | 5.00          | 7.50          |
| <b>Repairs &amp; Maintenance</b> |               |               |
| - Vehicle Maintenance            | 1.48          | 2.80          |
| - Computer maintenance           | -             | 0.82          |
| - Office maintenance             | 4.64          | 6.35          |
| - Others                         | -             | 1.84          |
| Filing charges & Listing Fees    | 2.46          | 2.60          |
| Security Charges                 | 2.68          | 2.28          |
| Meeting Expenses                 | 0.98          | 2.42          |
| Professional & Legal Expenses    | 4.68          | 14.14         |
| Loss on sale of assets           | 3.90          | 18.26         |
| General expenses                 | 4.73          | 0.49          |
| Bad Debts written off            | 303.59        | 10.00         |
|                                  | <b>382.89</b> | <b>182.21</b> |

### 25. EARNINGS PER SHARE

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

| Particulars                                      | 31.03.2014   | 31.03.2013   |
|--------------------------------------------------|--------------|--------------|
| Profit after tax and extraordinary items         | Rs.31,56,938 | Rs.85,94,721 |
| No. of equity shares outstanding during the year | 4,50,90,220  | 4,50,90,220  |
| Basic & Diluted Earnings Per Share               | Re.0.07      | Re.0.19      |

### 26. QUANTITATIVE INFORMATION

The quantitative information as required to be disclosed under paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956, have not been given pursuant to the exemption given under the notification dated 8th February 2011 issued by the Ministry of Corporate affairs, Government of India.

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

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

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Girdhar**  
Manager

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

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

Place : Chennai  
Date : 30.05.2014

# CONSOLIDATED FINANCIAL STATEMENT - 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 31<sup>st</sup> March 2014 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the group 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 financial informations of other companies in the Group. 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 subsidiary companies Infodrive Software LLC, Dubai, Infodrive Software Mauritius Limited, Mauritius, Infodrive Software Limited, Canada, and Infodrive Enterprises Pte Ltd (formerly known as Infodrive Software Pte Ltd) whose financial statements reflect total assets Rs.11,626.98 lakhs as at March 31, 2014, total revenues of Rs.4,716.76 lakhs and cash inflows amounting to Rs.38.34 lakhs for the year ended on that date and I have not audited the Branch at Singapore. These financial statements and other financial informations have been incorporated in the consolidated financial statements based on un-audited financial statements as certified by the management of the Company as audited financial statements of these entities as at 31<sup>st</sup> March 2014 were not available.
4. *As certified by the management the financial statements of Info-Drive Software Sdn Bhd, Malaysia, Info-Drive Software Inc., USA and Technoprism LLC being the subsidiary company of Info-Drive Software Inc., USA 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, I am unable to quantify the effect of such non provision on the value of investments and the net worth of the respective companies.*
5. *Confirmation of balances in respect of the subsidiary companies that have been incorporated in the consolidated financial statements of the Company have not been obtained and completely relied upon the information and explanations provided by the management as audited financial statements of these entities as at 31<sup>st</sup> March 2014 were not available.*
6. Without qualifying my opinion, I draw attention to Note aa of Notes forming part of the consolidated financial statements for the year ended 31<sup>st</sup> March 2014 in connection with carrying value of net assets as regards investment in Info-Drive Software Inc, USA. Though the entity 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. 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 another auditor on separate financial statements and on the financial information of other companies in the Group, and to the best of my information and according to the explanations given to me, I am of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2014;
  - ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii) in the case of Consolidated Cash Flow Statement of the cash flows for the year ended on that date.

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

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

Place : Chennai  
Date : 30.05.2014

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

Rs Lacs

| Particulars                                                | Note No     | As at<br>March 31,2014 | As at<br>March 31,2013 |
|------------------------------------------------------------|-------------|------------------------|------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                           |             |                        |                        |
| Shareholder's Funds                                        |             |                        |                        |
| (a) Share Capital                                          | 3           | 4,509.02               | 4,509.02               |
| (b) Reserves and Surplus                                   | 4           | 7,128.93               | 6,918.29               |
| (c) Minority Interest                                      | 5           | 499.00                 | 435.29                 |
| Non-Current Liabilities                                    |             |                        |                        |
| (a) Long-term borrowings                                   | 6 (a)       | 1,032.60               | 2,242.26               |
| (b) Long-term provisions                                   | 6 (b)       | 33.56                  | 27.63                  |
| (c) Deferred tax liabilities (Net)                         | 7 (a)       | 5.84                   | -                      |
| <b>Current Liabilities</b>                                 |             |                        |                        |
| (a) Short-term borrowings                                  | 8           | 692.43                 | 767.10                 |
| (b) Trade payables                                         | 9           | 359.57                 | 1,894.88               |
| (c) Other current liabilities                              | 10          | 512.84                 | 7.62                   |
| (d) Short-term provisions                                  | 11          | 21.42                  | 151.14                 |
| <b>Total</b>                                               |             | <b>14,795.20</b>       | <b>16,953.23</b>       |
| <b>II. ASSETS</b>                                          |             |                        |                        |
| <b>Non-current assets</b>                                  |             |                        |                        |
| (a) Fixed assets                                           | 12          |                        |                        |
| (i) Tangible assets                                        |             | 377.90                 | 653.35                 |
| (ii) Intangible assets                                     |             | -                      | 2,078.66               |
| (b) Non-current investments                                | 13          | 2,605.67               | 860.92                 |
| (c) Deferred tax assets (net)                              | 7 (b)       | 14.46                  | 25.39                  |
| (d) Long term loans and advances                           | 14          | 2,951.90               | 2,177.37               |
| (e) Other non-current assets                               | 15          | 1,678.68               | 1,517.13               |
| <b>Current assets</b>                                      |             |                        |                        |
| (a) Trade receivables                                      | 16          | 5,990.05               | 6,954.41               |
| (b) Inventories                                            |             | 85.15                  | -                      |
| (b) Cash and cash equivalents                              | 17          | 404.92                 | 1,157.02               |
| (c) Short-term loans and advances                          | 18          | 685.01                 | 1,527.17               |
| (d) Other current assets                                   | 19          | 1.47                   | 1.81                   |
| <b>Total</b>                                               |             | <b>14,795.20</b>       | <b>16,953.23</b>       |
| <b>III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b> | <b>1-36</b> |                        |                        |

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Giridhar**  
Manager

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

Place : Chennai  
Date : 30.05.2014

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

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Rs Lacs

| Particulars                                                              | Note No | 2014            | 2013            |
|--------------------------------------------------------------------------|---------|-----------------|-----------------|
| <b>I. REVENUE FROM OPERATIONS</b>                                        | 20      | 6,319.53        | 8,002.71        |
| <b>II. OTHER INCOME</b>                                                  | 21      | 450.26          | 474.14          |
| <b>Total Revenue (I + II)</b>                                            |         | <b>6,769.79</b> | <b>8,476.85</b> |
| <b>III. EXPENSES:</b>                                                    |         |                 |                 |
| a) Cost of materials/services consumed                                   | 22      | 5,834.37        | 7,211.15        |
| b) Employee benefit expenses                                             | 23      | 225.03          | 499.56          |
| c) Financial costs                                                       | 24      | 155.29          | 314.07          |
| d) Depreciation and amortization expense                                 | 25      | 39.82           | 43.38           |
| e) Other expenses                                                        | 26      | 459.77          | 328.57          |
| <b>Total Expenses</b>                                                    |         | <b>6,714.27</b> | <b>8,396.73</b> |
| <b>IV. PROFIT BEFORE TAX (I+II-III)</b>                                  |         | <b>55.52</b>    | <b>80.12</b>    |
| <b>V. Tax expense:</b>                                                   |         |                 |                 |
| (1) Current tax                                                          |         | -               | 18.10           |
| (2) Deferred tax                                                         |         | 16.77           | (14.48)         |
| (3) Excess provision in earlier period                                   |         | 8.27            | (22.30)         |
| <b>VI. PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IV-V)</b> |         | <b>30.48</b>    | <b>98.80</b>    |
| <b>VII. MINORITY INTEREST</b>                                            |         | 17.80           | 23.97           |
| <b>VIII. PROFIT CARRIED TO BALANCE SHEET</b>                             |         | <b>12.68</b>    | <b>74.83</b>    |
| <b>IX. EARNING PER EQUITY SHARE:</b>                                     | 29      |                 |                 |
| (1) Basic                                                                |         | 0.03            | 0.17            |
| (2) Diluted                                                              |         | 0.03            | 0.17            |
| <b>X. NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>                 | 1-36    |                 |                 |

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Giridhar**  
Manager

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

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

Place : Chennai  
Date : 30.05.2014

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars                                                                       | Rs Lacs           |                   |
|-----------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                   | 2014              | 2013              |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                        |                   |                   |
| Net Profit before taxes                                                           | 55.52             | 80.12             |
| Adjustments for                                                                   |                   |                   |
| Depreciation                                                                      | 39.82             | 43.38             |
| Misc. Expenses written off                                                        | 0.36              | 0.36              |
| Interest Income                                                                   | (58.44)           | (264.88)          |
| Other Income                                                                      | (13.49)           | (9.50)            |
| Loss on sale of assets                                                            | 3.90              | 18.41             |
| Interest paid                                                                     | 155.29            | 314.07            |
| Exchange Fluctuation                                                              | (378.33)          | (199.76)          |
| Operating profit before working capital changes                                   | (195.37)          | (17.80)           |
| Adjustments for increase/ (-) decrease in                                         |                   |                   |
| Trade receivables                                                                 | 964.36            | 1,402.91          |
| Loans, advances and other current assets                                          | (925.14)          | (1,614.78)        |
| Short Term Loans & advances                                                       | 842.50            | 296.95            |
| Inventories                                                                       | (85.15)           | -                 |
| Current Liabilities & Provisions                                                  | (1,153.89)        | (1,423.46)        |
| Cash generated from/(used in) operations                                          | (552.69)          | (1,356.18)        |
| Adjustment for misc. exp. Written off                                             | (0.36)            | (0.36)            |
| Exchange Fluctuation                                                              | 378.33            | 199.76            |
| Taxes paid                                                                        | (25.04)           | (18.68)           |
| Interest Income                                                                   | 58.44             | 264.88            |
| Other Income                                                                      | 13.49             | 9.50              |
| “ Exchange difference on Foreign currency translation cash and cash equivalents ” | 808.69            | 206.29            |
| <b>Net cash from operating activities</b>                                         | <b>680.85</b>     | <b>(694.79)</b>   |
| <b>B. Cash flow from investing activities:</b>                                    |                   |                   |
| Investment in Subsidiary Companies                                                |                   | (100.02)          |
| Purchase/advance for fixed assets                                                 | -                 | (2.55)            |
| Proceeds from sale/withdrawn of fixed assets                                      | 8.15              | 148.23            |
| Withdrawal of depreciation                                                        | (3.41)            | (12.24)           |
| <b>Net cash flow from/(used in) investing activities</b>                          | <b>4.74</b>       | <b>33.42</b>      |
| <b>C. Cash flow from financing activities:</b>                                    |                   |                   |
| Proceeds from Long term borrowings (Net)                                          | (1,203.83)        | 757.04            |
| Proceeds from Short term borrowings (Net)                                         | (74.67)           | (1,438.25)        |
| Interest paid                                                                     | (155.29)          | (314.07)          |
| Loss on sale of assets                                                            | (3.90)            | (18.41)           |
| <b>Net cash from financing activities</b>                                         | <b>(1,437.69)</b> | <b>(1,013.69)</b> |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars                                               | Rs Lacs  |            |
|-----------------------------------------------------------|----------|------------|
|                                                           | 2014     | 2013       |
| <b>Net increase/decrease in cash and cash equivalents</b> | (752.09) | (1,675.06) |
| Cash & Cash equivalents (Opening Balance)                 | 1,157.02 | 2,832.08   |
| Cash & Cash equivalents (Closing Balance)                 | 404.92   | 1,157.02   |
| Component of Cash and Cash equivalents                    |          |            |
| Cash on hand                                              | 0.19     | 33.31      |
| Balance with Banks                                        |          |            |
| i. Available with the company for day to day operations   | 397.11   | 61.86      |
| ii. Amount available in unclaimed dividend accounts       | 7.62     | 7.62       |
| iii. Earmarked bank deposits                              | -        | 1,054.23   |

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Giridhar**  
Manager

### 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 Statement of Profit and Loss and Balance Sheet.

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

Place: Chennai  
Date: 30.05.2014

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



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 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) except Malaysia and USA. 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/CAPITAL RESERVE

Goodwill/Capital Reserve arising on the acquisition of subsidiaries represents the excess or deficit 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/Capital Reserve is initially recognised as an asset/liability at cost and is subsequently measured at cost less any accumulated impairment losses or otherwise. The exchange translations and fluctuations arising on consolidation are adjusted against Goodwill/Capital Reserve.

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 (PROJECTS): RS. 85.15 LACS (PREVIOUS YEAR NIL)**

**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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### 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.21.28 crores (Rs.23.50 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.

As regards the investments in Technoprism LLC by the subsidiary company Infodrive Software Inc, the subsidiary company has initiated legal course for recovery of the investments. The company is confident of winning the case and therefore, no provision has been made to the extent of investment of Rs.855.49 lacs (USD 1.58 million).

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rs Lacs

| Particulars                                                                                                                                                                                                                                                                                                                                     | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Shareholders Funds</b>                                                                                                                                                                                                                                                                                                                       |                         |                         |
| <b>3. Share Capital</b>                                                                                                                                                                                                                                                                                                                         |                         |                         |
| Authorised capital<br>7,00,00,000 equity shares of Rs.10/- each                                                                                                                                                                                                                                                                                 | 7,000.00                | 7,000.00                |
| Issued, subscribed and paid up capital<br>4,50,90,220 equity shares of Rs.10/- each                                                                                                                                                                                                                                                             | 4,509.02                | 4,509.02                |
|                                                                                                                                                                                                                                                                                                                                                 | <b>4,509.02</b>         | <b>4,509.02</b>         |
| <b>a) Reconciliation of number of shares</b>                                                                                                                                                                                                                                                                                                    |                         |                         |
| <b>Equity shares</b>                                                                                                                                                                                                                                                                                                                            |                         |                         |
| Opening balance 4,50,90,220                                                                                                                                                                                                                                                                                                                     | 4,509.02                | 4,509.02                |
| Changes during the year - Nil                                                                                                                                                                                                                                                                                                                   |                         | -                       |
| Closing balance 4,50,90,220                                                                                                                                                                                                                                                                                                                     | <b>4,509.02</b>         | <b>4,509.02</b>         |
| <b>b) Rights and restrictions attached to shares</b>                                                                                                                                                                                                                                                                                            |                         |                         |
| <b>Equity Shares:</b>                                                                                                                                                                                                                                                                                                                           |                         |                         |
| The company has one class of equity shares having a par value of Rs.10 each. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential payments, in proportion to their shareholding. |                         |                         |
| <b>c) Details of shares held by shareholders holding more than 5% of the aggregate Shares in the Company</b>                                                                                                                                                                                                                                    |                         |                         |
| The Indiaman Fund (Mauritius) Ltd                                                                                                                                                                                                                                                                                                               | 3,788,250               | 3,788,250               |
|                                                                                                                                                                                                                                                                                                                                                 | 8.40%                   | 8.40%                   |
| India Max Investment Fund Ltd                                                                                                                                                                                                                                                                                                                   | 3,004,033               | 3,004,033               |
|                                                                                                                                                                                                                                                                                                                                                 | 6.66%                   | 6.66%                   |
| Credo India Thematic Fund Ltd                                                                                                                                                                                                                                                                                                                   | 2,719,330               | 2,719,330               |
|                                                                                                                                                                                                                                                                                                                                                 | 6.03%                   | 6.03%                   |
| <b>d) Aggregate number and class of shares allotted as fully paid up by way of preferential allotment (during 5 years preceding March 31, 2014) Nil</b>                                                                                                                                                                                         |                         |                         |
| <b>4. Reserves &amp; Surplus</b>                                                                                                                                                                                                                                                                                                                |                         |                         |
| a) Share premium account                                                                                                                                                                                                                                                                                                                        | <b>3,866.57</b>         | <b>3,866.57</b>         |
| b) Capital Reserve                                                                                                                                                                                                                                                                                                                              | 453.63                  | -                       |
| c) Surplus in Statement of Profit and Loss                                                                                                                                                                                                                                                                                                      |                         |                         |
| Opening balance                                                                                                                                                                                                                                                                                                                                 | 2,796.06                | 2,976.89                |
| Add: Profit for the year                                                                                                                                                                                                                                                                                                                        | 12.68                   | 74.83                   |
|                                                                                                                                                                                                                                                                                                                                                 | 3,262.37                | 3,051.72                |
|                                                                                                                                                                                                                                                                                                                                                 | <b>7,128.93</b>         | <b>6,918.29</b>         |
| <b>5. Minority Interest</b>                                                                                                                                                                                                                                                                                                                     |                         |                         |
| Info-Drive Software LLC, Dubai                                                                                                                                                                                                                                                                                                                  | 499.00                  | 435.29                  |
|                                                                                                                                                                                                                                                                                                                                                 | <b>499.00</b>           | <b>435.29</b>           |
| <b>Non Current Liabilities</b>                                                                                                                                                                                                                                                                                                                  |                         |                         |
| <b>6. a) Long Term Borrowings</b>                                                                                                                                                                                                                                                                                                               |                         |                         |
| Un-secured Loans                                                                                                                                                                                                                                                                                                                                |                         |                         |
| Corporate borrowings                                                                                                                                                                                                                                                                                                                            | 1,032.60                | 2,242.26                |
|                                                                                                                                                                                                                                                                                                                                                 | <b>1,032.60</b>         | <b>2,242.26</b>         |

Secured loans from banks are secured against fixed assets obtained under hypothecation of vehicles and on mortgage of buildings

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                                                           | Rs Lacs                |                        |
|-----------------------------------------------------------|------------------------|------------------------|
|                                                           | As at<br>March 31,2014 | As at<br>March 31,2013 |
| <b>6. (b) Long Term Provisions</b>                        |                        |                        |
| Provision for employee benefits                           | 33.56                  | 27.63                  |
|                                                           | <b>33.56</b>           | <b>27.63</b>           |
| Provision for employee benefits is provision for gratuity |                        |                        |
| <b>7. (a) Deferred tax Liabilities (Net)</b>              |                        |                        |
| Depreciation and amortisation                             | 5.84                   | -                      |
|                                                           | <b>5.84</b>            | <b>-</b>               |
| <b>(b) Deferred tax assets (net)</b>                      |                        |                        |
| Minimum Alternate Tax (MAT)                               | 14.46                  | 25.39                  |
|                                                           | <b>14.46</b>           | <b>25.39</b>           |
| <b>Current Liabilities</b>                                |                        |                        |
| <b>8. Short-term borrowings</b>                           |                        |                        |
| Hire purchase creditors-Secured                           | 0.95                   | -                      |
| From Banks Overdraft-Secured on book debts                | 691.49                 | 388.16                 |
| From Banks Overdraft-Secured on Fixed Deposits            | -                      | 378.94                 |
|                                                           | <b>692.43</b>          | <b>767.10</b>          |
| <b>9. Trade payables</b>                                  |                        |                        |
| Trade payables                                            | 359.57                 | 1,894.88               |
|                                                           | <b>359.57</b>          | <b>1,894.88</b>        |
| <b>10. Other current liabilities</b>                      |                        |                        |
| Current maturities of hire purchase obligations           |                        |                        |
| Unclaimed Dividend                                        | 7.62                   | 7.62                   |
| Outstanding liabilities                                   | 505.22                 | -                      |
|                                                           | <b>512.84</b>          | <b>7.62</b>            |
| <b>11. Short-term provisions</b>                          |                        |                        |
| Provision for taxation                                    | 21.42                  | 151.14                 |
|                                                           | <b>21.42</b>           | <b>151.14</b>          |
| <b>Non current assets</b>                                 |                        |                        |
| <b>12. Fixed assets</b>                                   |                        |                        |
| i) Tangible assets                                        | 377.90                 | 653.35                 |
|                                                           | <b>377.90</b>          | <b>653.35</b>          |
| ii) Intangible assets - goodwill                          | -                      | 2,078.66               |
|                                                           | <b>-</b>               | <b>2,078.66</b>        |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 12. Fixed Assets

Fixed assets consist of the following

| Rs Lacs                        |                           |                                 |           |             |                                 |                                  |                                                    |                           |             |                                 |                                               |                                |
|--------------------------------|---------------------------|---------------------------------|-----------|-------------|---------------------------------|----------------------------------|----------------------------------------------------|---------------------------|-------------|---------------------------------|-----------------------------------------------|--------------------------------|
| Net Block as at March 31, 2013 | Description               | Gross Block as at April 1, 2013 | Additions | Deletion    | Translation Exchange Difference | Gross Block as at March 31, 2014 | Accumulated Depreciation as at March April 1, 2013 | Depreciation for the year | Deletion    | Translation Exchange Difference | Accumulated Depreciation as at March 31, 2014 | Net Block as at March 31, 2014 |
|                                | <b>i) Tangible assets</b> |                                 |           |             |                                 |                                  |                                                    |                           |             |                                 |                                               |                                |
| -                              | Plant & Machinery         | 17.57                           | -         | -           | -                               | 17.57                            | 17.57                                              | 0.01                      | -           | -                               | 17.58                                         | (0.01)                         |
| 50.35                          | Furniture & Fittings      | 79.05                           | -         | 5.59        | 0.09                            | 73.55                            | 28.69                                              | 4.92                      | 0.85        | 0.03                            | 32.79                                         | 40.76                          |
| 25.39                          | Office Equipments         | 33.03                           | -         | 2.56        | -                               | 30.47                            | 7.65                                               | 2.08                      | 2.56        | (0.06)                          | 7.11                                          | 23.36                          |
| 13.90                          | Electrical Installations  | 15.79                           | -         | -           | -                               | 15.79                            | 1.89                                               | 0.75                      | -           | -                               | 2.64                                          | 13.15                          |
| 32.32                          | Vehicles                  | 49.93                           | -         | -           | 5.30                            | 55.23                            | 17.61                                              | 13.81                     | -           | 1.87                            | 33.29                                         | 21.94                          |
| 22.02                          | Systems                   | 133.55                          | -         | -           | 0.90                            | 134.45                           | 111.53                                             | 13.31                     | -           | 0.74                            | 125.58                                        | 8.87                           |
| 4.59                           | Software Package          | 35.04                           | -         | -           | -                               | 35.04                            | 30.45                                              | 4.58                      | -           | -                               | 35.03                                         | 0.01                           |
| 269.82                         | Advance for Assets        | 269.82                          | -         | -           | -                               | 269.82                           | -                                                  | -                         | -           | -                               | -                                             | 269.82                         |
| <b>418.39</b>                  |                           | <b>633.78</b>                   | <b>-</b>  | <b>8.15</b> | <b>6.29</b>                     | <b>631.92</b>                    | <b>215.39</b>                                      | <b>39.46</b>              | <b>3.41</b> | <b>2.58</b>                     | <b>254.02</b>                                 | <b>377.90</b>                  |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| Particulars                                  | Rs Lacs                |                        |
|----------------------------------------------|------------------------|------------------------|
|                                              | As at<br>March 31,2014 | As at<br>March 31,2013 |
| <b>13. Non current investments</b>           |                        |                        |
| Held by subsidiary companies                 |                        |                        |
| Technoprism LLC,USA                          | -                      | 855.49                 |
| Info-Drive Technologies Co., Ltd, Bangkok    | 6.00                   | 5.43                   |
| Info-Drive Software Inc., USA                | 181.19                 | -                      |
| Info-Drive Systems Sdn Bhd., Malaysia        | 2,418.48               | -                      |
|                                              | <b>2,605.67</b>        | <b>860.92</b>          |
| <b>14. Long term loans and advances</b>      |                        |                        |
| Corporate Advances                           | 2,951.90               | 2,177.37               |
|                                              | <b>2,951.90</b>        | <b>2,177.37</b>        |
| <b>15. Other non-current assets</b>          |                        |                        |
| Advance for Investment                       | 1,678.68               | 1,517.13               |
|                                              | <b>1,678.68</b>        | <b>1,517.13</b>        |
| <b>16. Trade receivables (Un-secured)</b>    |                        |                        |
| Debtors due for > 6 Months (Considered good) | 5,904.32               | 6,421.87               |
| Other debtors (Considered good)              | 85.73                  | 532.54                 |
|                                              | <b>5,990.05</b>        | <b>6,954.41</b>        |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Rs Lacs

| Particulars                                                              | As at<br>March 31,2014 | As at<br>March 31,2013 |
|--------------------------------------------------------------------------|------------------------|------------------------|
| <b>17 (a) Cash and cash equivalents</b>                                  |                        |                        |
| Cash in hand                                                             | 0.19                   | 33.31                  |
| Balance in banks in current accounts                                     |                        |                        |
| In current accounts                                                      | 385.10                 | 61.86                  |
| In fixed deposits                                                        | 12.01                  | -                      |
| <b>(b) Other bank balances</b>                                           |                        |                        |
| Earmarked balances with banks-unclaimed dividend                         | 7.62                   | 7.62                   |
| Earmarked term deposits with banks-Guarantees                            | -                      | 1,054.23               |
|                                                                          | <b>404.92</b>          | <b>1,157.02</b>        |
| <b>18. Short-term loans and advances</b>                                 |                        |                        |
| Staff advances                                                           | 9.95                   | 2.42                   |
| Deposits                                                                 | 3.13                   | 5.67                   |
| Amount owing by Directors                                                | -                      | 375.93                 |
| Prepaid expenses                                                         | 4.79                   | -                      |
| Other advances                                                           | 667.14                 | 1,143.15               |
|                                                                          | <b>685.01</b>          | <b>1,527.17</b>        |
| <b>19. Other current assets</b>                                          |                        |                        |
| Preliminary expenses (to the extent neither<br>written off nor adjusted) | 1.47                   | 1.81                   |
|                                                                          | <b>1.47</b>            | <b>1.81</b>            |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rs Lacs

| Particulars                                            | 2014            | 2013            |
|--------------------------------------------------------|-----------------|-----------------|
| <b>20. Revenue from operations</b>                     |                 |                 |
| Sale of goods and services                             | 6,319.53        | 8,002.71        |
|                                                        | <b>6,319.53</b> | <b>8,002.71</b> |
| <b>21. Other income</b>                                |                 |                 |
| Interest income                                        | 58.44           | 264.88          |
| Exchange fluctuation gain/(loss)                       | 378.33          | 199.76          |
| Other Income                                           | 13.49           | 9.50            |
|                                                        | <b>450.26</b>   | <b>474.14</b>   |
| <b>22. Expenses Cost of Material/services consumed</b> |                 |                 |
| Opening stock                                          | -               | -               |
| Add: Material/services                                 | 5,919.52        | 7,211.15        |
| Less: Closing stock                                    | 85.15           | -               |
|                                                        | <b>5,834.37</b> | <b>7,211.15</b> |
| <b>23. Employee benefit expenses</b>                   |                 |                 |
| Salary & allowances                                    | 174.87          | 486.38          |
| Employees contribution to PF, ESI, Gratuity            | 7.64            | 9.36            |
| Staff welfare                                          | 1.17            | 3.82            |
| Managerial remuneration                                | 41.35           | -               |
|                                                        | <b>225.03</b>   | <b>499.56</b>   |
| <b>24. Financial costs</b>                             |                 |                 |
| Interest & Bank Charges                                | 155.29          | 314.07          |
|                                                        | <b>155.29</b>   | <b>314.07</b>   |
| <b>25. Depreciation and amortization expenses</b>      |                 |                 |
| Depreciation                                           | 39.46           | 43.02           |
| Preliminary expenses written off                       | 0.36            | 0.36            |
|                                                        | <b>39.82</b>    | <b>43.38</b>    |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                               | Rs Lacs       |               |
|-------------------------------|---------------|---------------|
| Particulars                   | 2014          | 2013          |
| <b>26. Other expenses</b>     |               |               |
| Books & Periodicals           | 0.07          | 1.46          |
| Business Promotion            | 0.02          | 2.86          |
| Rent & Amenities              | 35.33         | 60.82         |
| Printing & Stationery         | 3.07          | 12.43         |
| Postage Expenses              | 0.62          | 2.65          |
| Telephone Expenses            | 1.78          | 14.91         |
| Compensation paid             | -             | 8.19          |
| Rates & Taxes                 | 0.50          | 4.29          |
| Electricity Expenses          | 7.18          | 11.39         |
| Insurance                     | 0.07          | 5.19          |
| Audit Fees                    | 8.78          | 10.87         |
| Repairs & Maintenance         | 5.36          | 8.47          |
| Vehicle Maintenance           | 1.48          | 2.80          |
| Advertisement                 | 0.24          | -             |
| Other Maintenance             | -             | 2.67          |
| Sitting Fees                  | 0.50          | 0.85          |
| Filing charges & Listing Fees | 2.46          | 2.80          |
| Security Charges              | 2.68          | 2.28          |
| Subscription                  | -             | 0.28          |
| Meeting Expenses              | 0.24          | 1.02          |
| Consultancy Expenses          | 3.28          | 35.11         |
| Professional & Legal Expenses | 17.43         | 15.05         |
| Travelling Expenses           | 34.94         | 77.06         |
| Loss on sale of assets        | 3.90          | 18.41         |
| General expenses              | 11.08         | 9.73          |
| Office Maintenance            | -             | 6.98          |
| Bad debts written off         | 318.74        | 10.00         |
|                               | <b>459.77</b> | <b>328.57</b> |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 27. BUSINESS SEGMENT

The Company operates in only one segment viz Information Technology.

### 28. 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.

### 29. 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<br>31.03.2014 | Year ended<br>31.03.2013 |
|------------------------------------------------------------------|--------------------------|--------------------------|
| Profit for the year attributable to equity holders of the parent | Rs.12.68 Lacs            | Rs.74.83 Lacs            |
| Number of shares                                                 | 4,50,90,220              | 4,50,90,220              |
| Earnings per share before extraordinary item                     | Re.0.03                  | Re.0.17                  |
| Earnings per share after extraordinary items                     | Re.0.03                  | Re.0.17                  |

### 30. SUBSIDIARIES AND ASSOCIATES

Details of the Company's subsidiaries as at 31<sup>st</sup> March, 2013 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 |

- As at 31st March 2014 Infodrive Enterprises 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.

**31. 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.

**32. CONTINGENT LIABILITIES**

1. SBLC (stand by letter of credit) renewed in favour of Indian Overseas Bank, Singapore has been pre-maturely invoked resulting in reduction of entire security of fixed deposits. However corporate guarantee (CG) issued would be nullified after settlement of all dues by the subsidiary company in Singapore.
2. The appeal filed by the company 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 has not been disposed off as yet; However, there is no demand of tax.
3. The company has preferred an appeal before the Income Tax Appellate Tribunal (ITAT) for the demands raised on account of TDS on international transactions by CIT (A) for AY 2010-11 Rs.33,44,226 and for AY 2011-12 of Rs.165,15,087 respectively. No provision has been made for this contingency on demands as the company is confident of winning the appeal.
4. The company has filed appeal with the Commissioner of Income-tax, Appeals (II) in respect of the assessment year 2010-11 for Rs. 3,01,84,966/- which arose on account of denial of deduction u/s.10B and u/s 115JB for section 80HHC of the Income Tax Act 1961 . In view of confident of winning the appeal no provision has been made in the books of account.

**33. SHARE-BASED PAYMENTS**

**Equity-settled share option scheme**

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

**34. RELATED PARTY TRANSACTIONS**

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

**35. RECLASSIFICATION AND REGROUPING OF ACCOUNTS**

Certain accounts in the financial statements for the year ended 31<sup>st</sup> March, 2013 have been reclassified and regrouped to conform to the presentation in the financial statements for the year ended 31<sup>st</sup> March, 2014.

**36. 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 30<sup>th</sup> May 2014

For and on behalf of Board

Sd/-  
**ANL Madhavann**  
Director Finance & Projects

Sd/-  
**Pramod Manoharlal Jain**  
Director

Sd/-  
**Ajay K Mehta**  
Company Secretary

Sd/-  
**A.S. Giridhar**  
Manager

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

Place : Chennai  
Date : 30.05.2014

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 investment in | Investment other than | Turnover | Profit before taxation | Profit after taxation | Net Block as at | Proposed dividend | Country   |
|---------|-----------------------------|--------------------|---------------|---------|----------|--------------|---------------------------------|-----------------------|----------|------------------------|-----------------------|-----------------|-------------------|-----------|
| 1       | Infodrive Mauritius Limited | USD                | 59.90         | 60.06   | 240.43   | 2,662.42     | 2,361.92                        | -                     | -        | (57.05)                | -                     | (57.05)         | -                 | Mauritius |
| 2       | Info Drive Software LLC     | AED                | 16.31         | 49.05   | 1,956.77 | 4,962.12     | 2,956.30                        | -                     | 4,622.00 | 89.03                  | -                     | 89.03           | -                 | Dubai     |
| 3       | Info Drive Software Pte Ltd | USD                | 59.90         | 382.54  | 75.07    | 4,000.96     | 3,543.35                        | -                     | 94.76    | (32.70)                | -                     | (32.70)         | -                 | Singapore |
| 4       | Info-Drive Software Limited | CAN \$             | 54.36         | 0.01    | (3.95)   | 1.47         | 5.41                            | -                     | -        | (0.36)                 | -                     | (0.36)          | -                 | Canada    |

**Note :** Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rate as on 31.03.2014

# ATTENDANCE SLIP

## INFO-DRIVE SOFTWARE LIMITED

CIN: L36999TN1988PLC015475

Regd. Office: Buhari Building, 2<sup>nd</sup> Floor, No.3, Moores Road, Chennai-600 006, India

### Twenty Sixth Annual General Meeting – September 30, 2014

I/ We record my / our presence at the 'TWENTY SIXTH ANNUAL GENERAL MEETING' of the Company to be held on Tuesday, September 30, 2014 at 1015 Hrs. (India Time) at The Mylapore Club, No. 39, Luz Church Road, Mylapore, Chennai 600 004, India.

Full Name of the Member(s) / Proxy .....  
(In Block Letters)

No. of Shares held .....

Folio No. / DP ID and Client ID .....

Signature(s) of the Member(s) / Proxy 1 ..... 2 .....

Note: Members attending the meeting in-person or by proxy are requested to complete the attendance slip and deposit with the Company Officials at the venue of the Meeting.



# PROXY FORM

## INFO-DRIVE SOFTWARE LIMITED

CIN: L36999TN1988PLC015475

Regd. Office: Buhari Building, 2<sup>nd</sup> Floor, No.3, Moores Road, Chennai-600 006, India

### Twenty Sixth Annual General Meeting – September 30, 2014

I/We being a Member(s) of Info-Drive Software Limited, hereby appoint:

1. Name : .....

Address : .....

Email Id : .....

Signature : ..... or failing him; .....

2. Name : .....

Address : .....

Email Id : .....

Signature : ..... or failing him; .....

3. Name : .....

Address : .....

Email Id : .....

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, September 30, 2014, 10.15 am and at any adjournment thereof.

Signed this ..... day of....., 2014

Folio No. /DP ID / Client ID .....

Signature of shareholder .....

Affix  
Revenue Stamp  
Re.1/-

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 26th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.





**Book Post**



**Infodrive\***  
**CREATING VALUE**

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