

**DRAFT RED HERRING PROSPECTUS**

July 28, 2008

Please read Section 60B of the Companies Act, 1956
(This Draft Red Herring Prospectus will be updated upon filing
with the RoC)

100% Book Building Issue**RADIANT INFO SYSTEMS LIMITED**

(Our Company was incorporated as 'Radiant Info Systems Private Limited' under the provisions of the Companies Act, 1956 pursuant to a Certificate of Incorporation dated September 25, 1997 and changed its constitution to a public limited company vide a fresh Certificate of incorporation dated January 22, 2008. For details in change of the registered office of our Company please refer to the section titled "Our History and Certain Corporate Matters" beginning on page [●] of the Draft Red Herring Prospectus.)

Registered Office: 2227/1, Div No.52A, 9th Main, Banashankari Stage II, Bangalore - 560 070.**Tel No:** +91-80-2676 3316; **Fax No:** +91-80-2676 7702;**E-mail:** ipo@radiantinfo.com; **Website:** www.radiantinfo.com**Contact Person:** Mr. Satish Anand, Finance Manager

PUBLIC ISSUE OF 65,07,093 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. [●] PER SHARE) AGGREGATING RS. [●] LACS BY RADIANT INFO SYSTEMS LIMITED ('THE COMPANY' OR 'THE ISSUER'). THE ISSUE TO THE PUBLIC WOULD CONSTITUTE 31.85% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

Price Band: Rs. [●] to Rs. [●] per Equity Share of Face Value of Rs. 10 each**The Issue Price is [●] times of the Face Value at the Lower End of the Price Band and [●] times of the Face Value at the Higher End of the Price Band**

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), whose online IPO system will be available for bidding, by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers (BRLMs) and the terminals of the members of the Syndicate.

This Issue is being made through a 100% Book Building Process wherein at least 50% of the Issue will be mandatorily allocated to Qualified Institutional Buyers (QIBs) on a proportionate basis, subject to valid bids being received at or above the Issue Price, failing which the entire monies shall be refunded to all the Bidders. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, upto 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

IPO GRADING

This Issue has been graded by [●] as [●] (pronounced [●]), indicating [●]. For more information on IPO Grading, please refer to Section 'General Information' beginning on page [●].

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of shares is Rs.10/- and the Issue Price of Rs. [●]- per share is [●] times of the face value.** The Issue Price (as determined and justified by the BRLMs and our Company on basis of assessment of market demand for the Equity Shares by way of Book Building as stated in chapter titled 'Basis for Issue Price' beginning on page [●]) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risk involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does the SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on Page [●] of this Draft Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable enquiries, accepts responsibility for, and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and on the National Stock Exchange of India Limited (NSE). In-principle approvals have been received from BSE and NSE for the listing of the Equity Shares vide their letters dated [●] and [●] respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS (BRLMs)**REGISTRAR TO THE ISSUE****IL&FS Investsmart Securities Limited**

The IL&FS Financial Centre, Plot No. C-22
G Block, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051.
Tel No: +91-22-2653 3333;
Fax No: +91-22-6693 1862
Website: www.investsmartindia.com
Email: radiant.ipo@investsmartindia.com
Contact Person: Ms. Shilpa Pandey/ Mr. Amit Porwal



energising ideas

Saffron Capital Advisors Private Limited

Ground Floor, Vilco Center
8, Subhash Road, Vile Parle (East)
Mumbai - 400 057.
Tel No: +91-22-4082 0906/0903
Fax No: +91-22-2682 0502
Website: www.saffronadvisor.com
Email: radiant.ipo@saffronadvisor.com
Contact Person: Mr. Saurabh Vijay

**Aarthi Consultants Private Limited**

1-2-285, Domalguda
Hyderabad - 500 029
Tel No: +91-40-2763 4445/8111
Fax No: +91-40-2763 2184
Email: radiant.ipo@aarthiconsultants.com
Website: www.aarthiconsultants.com
Contact Person: Mr. G. Bhaskar

BID/ISSUE PROGRAMME

BID / ISSUE OPENS ON:	[*]	BID / ISSUE CLOSURES ON:	[*]
------------------------------	------------	---------------------------------	------------

TABLE OF CONTENTS

Section I - Definitions and Abbreviations	
Company related terms	1
Issue Related Terms	2
Industry Related Terms	4
General Terms	6
Abbreviations	6
Section II - General	
Certain Conventions; Use of Market Data	8
Forward Looking Statements	9
Section III - Risk Factors	10
Section IV - Introduction	
Summary	27
Brief details of the Issue	30
Summary of Financial Information	31
General Information	34
Capital Structure	42
Section V - Objects of the Issue	
Objects of the Issue	51
Basic Terms of the Issue	60
Basis for Issue Price	61
Statement of Possible Tax Benefits	64
Section VI - About Us	
Industry Overview	72
Our Business	83
Key Industry Regulations and Policies	113
Our History and Certain Corporate Matters	118
Our Management	128
Promoters and their Background	142
Currency of Presentation	145
Dividend Policy	145
Section VII - Financial Information	
Financial Statements	146
Financial Information of Group Companies	180
Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements	193
Section VIII - Legal and other Regulatory Information	
Outstanding Litigations	203
Statutory Approvals and Licenses	216
Other Regulatory and Statutory Disclosures	227
Section IX -Issue Related Information	
Terms of the Issue	238
Issue Structure	242
Issue Procedure	246
Restrictions on Foreign Ownership of Indian Securities	280
Section X - Description of Equity Shares and Terms of the Articles of Association	
Main Provisions of Articles of Association	282
Section XI -Other Information	
Material Contracts and Documents for Inspection	301
Section XII -Declaration	303

SECTION I - DEFINITIONS AND ABBREVIATIONS

Term	Description
“The Issuer” or “The Company” or “Radiant Info Systems Limited” or “Radiant” or “RIL” “We” or “us” or “our”	Unless otherwise specified, these references mean Radiant Info Systems Limited, a public limited company incorporated under the Companies Act, 1956
Subsidiaries	<ol style="list-style-type: none"> 1. Radiant Systems Inc, USA 2. Redwood Financial Technologies LLC, USA 3. Radiant Info Limited (UK)
Group Companies	<p>The following are the Group Companies of our company</p> <ol style="list-style-type: none"> 1. Admirance Software Private Limited 2. Radgov Solutions (India) Private Limited 3. Myneni Foundation Inc, USA 4. Myneni Inc, USA 5. RadGov Inc, USA 6. Ateeca, Inc., USA 7. Azoore Inc, USA 8. Azoop Inc, USA 9. Six Sides Properties LLC, USA 10. Brightway Capital Limited, Mauritius 11. Redcomet Capital Limited, Mauritius 12. Futureway Capital Limited, Mauritius

COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association	The Articles of Association of Radiant Info Systems Limited
Auditors	The Statutory Auditors of our Company namely, M/s. P. Murali & Co, Chartered Accountants
Board / Board of Directors	Board of Directors of Radiant Info Systems Limited unless otherwise specified.
Memorandum/ Memorandum of Association	The Memorandum of Association of Radiant Info Systems Limited
Project	<p>The objects of the Issue are to</p> <ol style="list-style-type: none"> 1) To finance the funds required for our potential acquisitions 2) To set up a Software Development Center at Gowribidanur Industrial Area, Bangalore 3) Meeting Additional Working Capital requirements 4) General Corporate Purposes 5) Meeting public Issue expenses
Registered Office of our Company	2227/1, Div No.52A, 9 th Main, Banashankari Stage II, Bangalore - 560 070
RoC	Registrar of Companies, Karnataka, Bangalore

ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted
Banker(s) to the Issue / Escrow Collection Banks	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened and in this case being [•]
Bid	An indication to make an offer made during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue
Bid/ Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, Hindi national newspaper, and a regional language newspaper.
Bid-cum-Application Form / Bid Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English national newspaper, Hindi national newspaper and a regional language newspaper.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids including any revisions thereof.
Book Building Process	Book Building Process as provided under Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate
BRLMs	Book Running Lead Manager to this Issue, in this case being IL&FS Investsmart Securities Limited and Saffron Capital Advisors Private Limited
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Cut-off	The Issue Price finalized by our Company in consultation with the BRLMs
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act, 1996
Designated Date	The date on which funds are transferred from the Escrow Account of our Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus/ DRHP	Means the Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at

Term	Description
	which the Equity Shares are being issued and the Issue size. Upon filing with RoC at least three days before the Bid/Issue opening date it will become the Red herring Prospectus. It will become the Prospectus after filing with the RoC after the pricing and allocation
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer
Equity Shares	Equity shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLMs and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
Issue	The Issue of 65,07,093 Equity Shares of Rs. 10/- each fully paid up at the Issue Price determined by our Company in consultation with the BRLMs in terms of this Draft Red Herring Prospectus.
Issue Management Team	The team managing this Issue as set out in the section titled 'General Information' in this Draft Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in term of this Draft Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Period	The Issue period shall be [●] being the Bid/Issue Opening date, to [●], being the Bid/Issue Closing date
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may range from 10% to 100% of the Bid Amount.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the QIB Portion or 1,62,677 Equity Shares shall be available for allocation for mutual funds only, out of the QIB Portion
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs.1, 00,000
Non Institutional Portion	The portion of this Issue being not less than 15% of the Issue i.e. 7,05,000 Equity Shares of Rs.10 each available for allocation to Non Institutional Bidders
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% Margin Amount at the time of bidding, as applicable
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date as specified in the CAN
Price Band	Being the price band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs finalizes the Issue Price
Promoter(s)	1. Mr. Venu Myneni 2. Mr. Vinod Koduru

Term	Description
3. Mr. C. Narayanacharyulu	
Prospectus	The Prospectus, filed with the RoC containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the issue and certain other information
Public Issue Account	Account opened with the Banker(s) to this Issue to receive monies from the Escrow Account for this Issue on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institution as defined in section 4A of the Companies Act, 1956; scheduled commercial banks; mutual funds; foreign institutional investor registered with SEBI; multilateral and bilateral development financial institutions; venture capital funds registered with SEBI; foreign venture capital investors registered with SEBI; state industrial development corporations; insurance companies registered with the Insurance Regulatory and Development Authority (IRDA); provident funds with minimum corpus of Rs. 2500 Lacs, pension funds with minimum corpus of Rs. 2500 Lacs and National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India..
QIB Portion	The portion of this Issue being at least 50% of the Issue, i.e. 32,53,547 Equity Shares of Rs 10 each available for allocation on proportionate basis to QIBs of which 5% shall be available for allocation on proportionate basis to Mutual Funds registered with SEBI.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for an amount more than Rs. 1,00,000/- in any of the bidding options in this Issue
Retail Portion	The portion of this Issue being upto 35% of the Issue i.e. 22,77,482 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particular of the price at which the equity shares are offered and the size of the Issue. The Red herring prospectus will be files with the RoC at least three days before the bid/ Issue Opening date and will become Prospectus after filing with the RoC after determination of the Issue Price
Registrar to the Issue or Registrar	In this case being, Aarthi Consultants Private Limited
Syndicate	The BRLMs and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into between our Company, BRLMs and the Syndicate Member(s), in relation to the collection of Bids in this Issue
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLMs in this case being [•]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of registration of the Bid on the online system of BSE/NSE
Underwriters	The BRLMs and the Syndicate Member(s)
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

INDUSTRY RELATED TERMS

Term	Description
APAC	Asia Pacific
APSRTC	Andhra Pradesh State Road Transport Corporation
ATE	Automated Test Equipment
ATM	Automated Teller Machine
ASIC	Application-Specific Integrated Circuits

Term	Description
BFSI	Banking, Financial Services and Insurance
BOO	Build-Own-Operate
BOOT	Build-Own-Operate-Transfer
BI	Business Intelligence
BPO	Business Process Outsourcing
CEMA	Central & Eastern Europe, Middle East and Africa
CMS	Case Management System
CRM	Customer Relationship Management
DAT	Damage Assessment Team
DepoATMZ	Depot Management System
DMART	Digital Multi-access Radio Telephone
DSP	Digital Signal Processing
DW	Data Warehousing
ERP	Enterprise Resource Planning
FDA	Food and Drug Administration
FPGA	Field-Programmable Gate Array
GDP	Gross domestic profit
GOI	Government of India
GSRTC	Gujarat State Road Transport Corporation
HIPAA	Health Insurance Portability and Accountability Act
ISV	Independent Software Vendor
IT	Information Technology
ITES	Information Technology Enabled Service
IVR	Interactive Voice Response
KSRTC	Karnataka State Road Transport Corporation
MARR	Multi Access Radio Relay
MIS	Management Information System
NABARD	National Bank for Agriculture and Rural Development
NASSCOM	The National Association of Software and Services Companies
NEGP	National E-Governance Plan
NIC	National Informatics Center
NMS	Network Management System
ORS	Online Reservation System
OPRS	Online Passenger Reservation System
OS	Operating System
PLD	Programmable Logic Devices Design
PMS	Punctuality Management System
RMS	Resource Management System
RFID	Radio Frequency Identification
SCM	Supply chain management
SMB	Small and Medium Businesses
TMS	Transportation Management System
TNSETC	Tamil Nadu State Express Transport Corporation
TransCrewManage	Crew Management System
UHF	Ultra High Frequency
VHE	Virtual Home Environment
WebPM	Web Based Project Management
WCS	Warehouse Control System
WMS	Warehouse Management System

GENERAL TERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time
Directors	The Directors of our Company, unless the context otherwise requires
Equity Shares	The Equity Shares of face value of Rs. 10/- each of our Company
Indian GAAP	Generally Accepted Accounting Principles in India
Non Resident	A person who is not an NRI, an FII and is not a person resident in India
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Quarter	A period of three continuous months
RBI Act	The Reserve Bank of India Act, 1934
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Guidelines	Means the extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called SEBI (DIP) Guidelines, 2000.
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

ABBREVIATIONS

Term	Description
A.Y./ AY	Assessment Year
A/c	Account
AGM	Annual General Meeting of our Company
AS	Accounting Standards
BSE	Bombay Stock Exchange Limited
BRIC	Term used in economics to refer to the combination of Brazil, Russia, India and China
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CLB	Company Law Board
CGEWHO	Central Government Employees Welfare Housing Organisation
DCA	Department of Company Affairs
DTA	Domestic Tariff Area
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations framed there under.
FEMR	Foreign Exchange Management Regulations, 2000
FI	Financial Institution
FIIs	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI as required under FEMA (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 and under other applicable laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
FVCI	Foreign Venture Capital Investor registered with SEBI under the SEBI (Foreign

	Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GIR Number	General Index Register Number
I.T. Act	The Income Tax Act, 1961
IPO	Initial Public Offer
ISO	International Standards Organization
KEONICS	Karnataka State Electronics Development Corporation
KIADB	Karnataka Industrial Areas Development Board
MAT	Minimum Alternate Tax
MF	Mutual Fund
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBIT	Profit Before Interest and Tax
PBT	Profit Before Tax
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SEBI	Securities and Exchange Board of India
SIA	Secretariat for Industry Approvals
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
STPI	Software Technology Park of India
STP	Software Technology Park
TAN	Tax Deduction Account Number
TIN	Tax Identification Number
TNW	Total Net Worth
T.P. Act	Transfer of Property Act
TRS	Transaction Receipt Slip
USD/US\$	United States Dollar
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With effect from

SECTION II - GENERAL

CERTAIN CONVENTIONS; USE OF MARKET DATA

In this Draft Red Herring Prospectus, the terms 'we', 'us', 'our', the 'Company', 'our Company', 'Radiant Info Systems Limited', 'Radiant Info', 'Radiant' unless the context otherwise indicates or implies, refers to Radiant Info Systems Limited. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word 'Lac/Lakh' means 'one hundred thousand', the word 'million (mn)' means 'ten lac /lakh', the word 'Crore' means 'ten million' and the word 'billion (bn)' means 'one hundred crore'. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. Throughout this Draft Red Herring Prospectus, all figures have been expressed in Lacs.

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. Unless indicated otherwise, the operational data in this Draft Red Herring Prospectus is presented on an unconsolidated basis and refers to the operations of our Company. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in this Draft Red Herring Prospectus, see the section Definitions and Abbreviations on page [•] of this Draft Red Herring Prospectus. In the section entitled 'Main Provisions of Articles of Association', defined terms have the meaning given to such terms in the Articles of Association of our Company.

Market Data

Unless stated otherwise, market data used throughout this Draft Red Herring Prospectus was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although, we believe market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like 'will', 'aim', 'will likely result', 'believe', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'project', 'should', 'will pursue' and similar expressions or variations of such expressions, that are 'forward looking statements'. Similarly, the statements that describe our objectives, plans or goals are also forward-looking statements.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the infrastructure/construction industry in India and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and our overseas markets which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see 'Risk Factors' beginning on page [●] of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

SECTION III - RISK FACTORS

An investment in equity shares involves a high degree of risk. The risks and uncertainties described below together with the other information contained in this Draft Red Herring Prospectus should be carefully considered before making an investment decision in our Equity Shares. If any one or some combination of the following risks occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in this Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Materiality - The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- 1) Some events may not be material individually but may be found material collectively.*
- 2) Some events may have material impact qualitatively instead of quantitatively.*
- 3) Some events may not be material at present but may be having material impact in future.*

A) LITIGATION RELATED RISKS

- 1. Two of Our Promoters, Mr. Venu Myneni and Mr. Vinod Koduru have a criminal case pending against them, which if determined against them would have a material impact on us.*

There is a pending criminal case in the Court of the Judicial Magistrate II at Thiruvallore bearing C.C No. 106 of 2007 against two of our Promoters. The said Complaint was filed by Mr. R. Chandrasekaran, Manager, M/s. Kaashyap Technologies Limited (earlier known as Kaashyap Radiant Systems Limited) against Mr. Venu Myneni and Mr. Vinod Koduru, being the promoters of our Company. It was alleged in the complaint that, by causing illegal threats and illegal attacks on Mr. Chandrasekaran, the complainant, Mr. Venu Myneni and Mr. Vinod Koduru have committed offences punishable under Section 323 (voluntarily causing hurt), 341 (wrongful restraint) and 506 (ii) (criminal intimidation) of the Indian Penal Code, 1890.

Our Promoters and Radiant Systems, Inc. have entered in to a Settlement Agreement dated July 08, 2008 with Mr. Raghuram Tandra, Mr. A. Venkataramani, Kaashyap Technologies Ltd. and Mr. R. Chandrasekaran in order to settle all the claims inter se and to withdraw all the civil and criminal cases against each other.

Pursuant to the same, a memo for the withdrawal of the aforesaid criminal case has been filed in the Court of the Judicial Magistrate II at Thiruvallore bearing C.C No. 106 of 2007 and the final decree is awaited.

- 2. Our Company is involved in certain legal proceedings which, if determined against us could have an adverse impact.*

Our Company is involved in various criminal, civil and consumer related litigations which are at different stages of adjudications in various forums. No assurance can be given as to whether these matters will be resolved in favour of or against our Company and/or these

entities, nor can an assurance be given that no further liability will arise out of these or future claims.

A summary of the said pending litigations/demands/claims/notices and proceedings initiated against our Company are given below:

Type of Cases	No. of Cases	Amount Involved (Rs.)*
Criminal	1	Not ascertainable
Civil	4	1,70,450
Consumer	6	74,00,000
Notices/Claims	26	
Total	37	75,70,450

**Excludes any interest and/or penalty which may arise.*

For further details, please refer to the section titled “Outstanding Litigations” beginning on page [●] of this Draft Red Herring Prospectus.

B) RISK FACTORS SPECIFIC TO THE PROJECT

3. *As the specific acquisition targets have not been identified, the fund deployment in this regard is uncertain.*

Our Company intends to use part of the proceeds amounting to Rs. 4,000 lacs out of the total Issue proceeds for acquisitions as described in the section titled ‘Objects of the Issue’ on page [●] of this Draft Red Herring Prospectus. We have not yet entered into any definitive agreements to utilize the funds allocated for making acquisitions. There can be no assurance that we will be able to conclude definitive agreements for such expenditures on terms anticipated by us. As on the date of this Draft Red Herring Prospectus, we have not yet identified specific acquisition targets.

Pending utilization of the funds, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration. The utilization of the proceeds of the Issue will be monitored by our management and our Board of Directors and will not be subject to any monitoring by any independent agency. This temporary deployment may not result in adequate returns for our Company.

4. *The acquisition of other companies, businesses or technologies in the future could result in operating difficulties, dilution and other harmful consequences.*

As on the date of this Draft Red Herring Prospectus, we have experienced only organic growth. However, as part of our growth strategy, we intend to pursue acquisitions to expand our business. There can be no assurance that we will be able to identify suitable acquisition targets, strategic investment or joint venture opportunities at acceptable cost and on commercially reasonable terms, obtain the finance necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. Any future acquisitions may result in integration issues and employee retention problems. We may not be able to realize the benefits we might anticipate from any such acquisitions.

If we attempt to acquire non-Indian companies, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need prior approval from the RBI which we may not obtain. Further, foreign acquisitions also involve risks related to integration of operations across different cultures and languages, currency risks and the

particular economic, political and regulatory risks associated with doing business in other countries. Any failure to achieve successful integration of such acquisitions or investments could have an adverse effect on our business, results of operations or financial condition.

5. *We have not obtained any third party appraisals for our Project. In the event of our estimates not being met, our Company's ability to effectively implement its business plans may be adversely affected.*

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our estimates for the Project may exceed the value that would have been determined by third party appraisals, which may require us to reschedule our Project expenditure and have a bearing on our expected revenues and earnings.

6. *We require certain regulatory approvals in the ordinary course of our business, and the failure to obtain/renew them in a timely manner or at all may adversely affect our operations.*

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating our businesses. In connection with our business, we may require such approvals or their renewal from time to time. We may not receive such approvals or renewals in the time frame anticipated by us or at all, which could adversely affect our business.

Our Company is yet to obtain the approvals a gist of which is given below. For further details please refer to the section 'Statutory Approvals and Licences' beginning on page [●] of this Draft Red Herring Prospectus.

- (a) Pending payment of 20% of the estimated cost for the land to Karnataka Industrial Areas Development Board located in Gowribidanur Industrial Area, and other land related formalities.
- (b) Commence the civil construction works after obtaining prior approval/license from the Chief Inspector of Factories & Boilers of Karnataka State by December 31, 2008 and complete civil construction works and erection of building after obtaining prior approval of KEONICS by April 30, 2010 to validate the Letter of Intent/Allotment no. KSEDC/Infra/LA/RIS/2007-08, dated September 20, 2007 received from KEONICS.
- (c) 4 applications pending for trademarks/service marks with the Indian trademarks office, Chennai
- (d) 4 Copyright applications pending with the Copyright office.

If we do not apply or fail to apply within the prescribed time or fail to obtain any of the aforesaid licenses, approvals and permissions, our ability to carry on business, may be materially affected and our Company and our officials may be subject to fines and penalties under the relevant laws, and consequently our turnover and profitability may be adversely affected.

7. *We have not made definite arrangements for procurement/order placement of equipment worth Rs. 2,277.38 lacs (being 100% of the plant and machinery cost) for our proposed Software Development centre at Gowribidanur. Any delay in placing the orders or delay at the suppliers' end may result in time and cost overrun.*

While, we have received estimates/quotations for the equipment, we would be placing orders for the equipment at an appropriate time, as the same are available at reasonably short notice. Any delay in placing the orders or delay at the suppliers' end in delivering the equipment may result in time overrun, which may affect our ability to meet the growing demand for our business and in turn our profitability. Further, we cannot assure you that the purchase of the equipment would occur at the estimated price only.

C) RISK FACTORS INTERNAL TO OUR COMPANY AND BUSINESS

8. *We are largely dependent on our wholly owned subsidiary, Radiant Systems, Inc., USA as it contributed approximately 92.79% of our consolidated gross revenues for FY 08. Any adverse change in business relation of Radiant Systems, Inc. with its clients may affect sustainability of its revenue, and consequently affect our financial condition.*

9. *Our top five clients contribute 74% of our revenues on a standalone basis, while on a consolidated basis top five clients contributed approximately 45% of our turnover for FY '08. Any loss of business from one or more of them may adversely affect our revenues and profitability.*

Our top five clients contribute 74% of our revenues on a standalone basis while on a consolidated basis top five clients contributed approximately 45% of our turnover for FY '08. Any decline in our quality standards and growing competition and any change in the demand for our product/services by these customers may adversely impair our ability to retain these customers. The loss of our major customers or a decrease in the volume of products/services sourced from us may adversely affect our revenues and profitability. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

10. *We have a wholly owned subsidiary in US, Radiant Systems, Inc. that utilizes our services to provide solutions to its end clients. For the financial year ended March 31, 2008, approximately 57% of our revenues on a standalone basis have been derived from sale to Radiant Systems, Inc.*

11. *Some of our projects are operated on a BOOT business model and thus have a fixed term, subject to renewal. If we are unable to renew or extend our contracts with our existing customers on terms acceptable to us or at all, our future financial condition and results of operations may be adversely affected.*

Some of our current projects like the one's with TNSETC and GSRTC are operated on a BOOT business model having a fixed term of 5 years, subject to renewals. To get repeat orders from these clients would be a key to our growth strategy, is to get repeat orders from these clients which would help our Company to generate fixed income flow. If we are unable to renew or extend our contracts with our existing customers on terms acceptable to us or at all, our future financial condition and results of operations may be adversely affected.

12. **We have not registered our trademarks and/or patents for any of our products names/brands.**

We have sought for the registration of our trademarks and/or patents for our Company's product, product names/brands and our applications are pending with the Registrar of Trademarks, Chennai. For details, please refer to page no. [•]. Although an action for passing off would lie against any third party who uses these trademarks, we would have to successfully litigate against any such third party before we can obtain the desired legal relief/s. Any delay or failure to adequately protect this trademark, any loss of reputation

caused due to any third party use of the same, and/or any costs involved in connection with any litigation in this regard could adversely affect our operations.

13. As per loan agreements executed by us with our bankers, we are subject to several restrictive covenants which may hamper our future business growth.

As per our current financing arrangements with banks, we are subject to certain restrictive covenants which require us to obtain the prior consent of the respective lenders before undertaking certain actions such as:

- effect any change in the capital structure
- formulate any scheme of amalgamation or reconstruction.
- make any change to our management/board
- undertake any scheme of expansion/modernization/diversification .
- make investments/ advances or deposit amounts to the group or subsidiary companies.
- sell, assign, mortgage or otherwise dispose off any of its assets or any part thereof.
- enter into borrowing arrangements with any bank/FI/company.
- undertake guarantee obligations on behalf of any other company.
- declare dividends for any year if our Company fails to meet its obligations to pay interest and/or installment or monies payable
- enter in to any contractual obligations of long term nature affecting the our Company financially to a significant extent

In the event that such lenders, in the future decline to consent or delay in granting the consent to our plans of expansion/modernization/diversification of our business, such declination or delay as the case may be may have adverse bearing on our future growth plan.

14. We have certain contingent liabilities, which have not been provided for. Crystallization of any of these contingent liabilities could affect our financials.

The Contingent liabilities of our Company not provided for, as certified by our statutory auditors are as under:

(Rs. in Lacs)	
Particulars	As on March 31, 2008
Bank Guarantee	25.26
Third party guarantee	100.00
Legal cases (Rajiv Internet project)	74.00
Total	199.26

In the event any of these contingent liabilities gets crystallized, our financial condition may be adversely affected. For further information please see section titled “Financial Statement” beginning on page [•] of this Draft Red Herring Prospectus

15. Our Company has taken on record, certain transfer of shares between NRI shareholders and Non Residents, prior to the receipt of regulatory approvals.

Our Company has taken on record, on March 31, 2000, transfer of 2550 shares from its NRI shareholders to Radiant Systems, Inc, a Non Resident, though the requisite regulatory approvals from FIPB for such transfers were not obtained. In this regard, we have informed RBI in writing on January 21, 2008 of the same. Our Company has not received any further communication from RBI and we may be subject to penalties or required to comply with certain directions, if any, issued by RBI in this regard.

16. Our Company has issued its shares to the shareholders of Radiant Systems, Inc. as part of a share swap arrangement, prior to the receipt of approval of RBI.

Our Company issued 68,00,200 shares to the shareholders of Radiant Systems, Inc, as part of a share swap arrangement. Though our Company had duly obtained the approval of the FIPB for the above share swap arrangement, approval of RBI was not obtained prior to the allotment of shares. Our Company now, has filed the necessary applications in form ODI with RBI and is awaiting further communications from RBI. Our Company may be subject to penalties or required to comply with certain directions, if any, issued by RBI in this regard.

- 17. We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price. For details of the Equity Shares issued in the last twelve months, please refer to the section titled 'Capital Structure' beginning on page [•] of this Draft Red Herring Prospectus.*
- 18. Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.*

Our revenues have grown in recent years and may vary significantly in the future. Further, we also have projects with government agencies under BOOT/BOO models on transactional/percent on volume transacted basis and it is very difficult to predict the revenues from these projects. Under some revenue sharing agreements, we earn our income as a certain percentage of the retail price that our customers charge to their end-user customers for the use of our products and applications. Therefore, our revenue could be impacted by the product pricing decision of our clients. We earned approximately 2.42% of our revenues from such revenue sharing agreements for FY08. It is possible that in the future some of our results of operations may be below the expectations of market analysts and our investors, which could cause the share price of our Equity Shares to decline significantly.

Factors which affect the fluctuation of our operating results include:

- The size, timing and profitability of significant service projects and product sales;
 - The mix of services and product revenues;
 - The ability to modify and enhance our suite of product offerings based on customer needs and evolving technologies;
 - Changes in our pricing policies or those of our competitors;
 - The proportion of services that we perform outside India as opposed to our development centers in India;
 - The effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees, particularly information technology, or IT, professionals;
 - The size and timing of facilities expansion;
 - Unanticipated cancellations, contract terminations or deferrals of projects; and
 - Unanticipated variations in the duration, size and scope of our projects.
- 19. Our business and profitability will suffer if we fail to anticipate and develop new products and services and enhance existing products and services in order to keep pace with rapid changes in technology and the industries on which we focus.*

We operate in a technologically intensive environment, where we compete on a global scale. Technology by its very nature is dynamic and ever changing and we may not be able to keep pace with the rapidly changing technological environment. The IT products and services market is characterized by rapid technological change, evolving industry standards, changing client preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and develop new product and service offerings to meet client needs. We may not be successful in anticipating or adequately responding to these advances in a timely basis, or, if we do respond, the services or technologies we develop may not be successful in the marketplace. Any such failure on our part could

adversely affect our ability to compete efficiently, our cost-competitiveness, ability to develop new products and the consequential quality of our products, and could also adversely affect our sales and profitability.

20. *Increasing intense competition in the market for IT products and services could affect our margins, and could also reduce our share of business from clients and may adversely impact our revenues and profitability.*

The IT products and services markets are highly competitive. Our competitors include large consulting firms, large multinational technology firms, IT outsourcing firms, Indian IT services firms, software firms etc. The IT industry is experiencing rapid changes that are affecting the competitive landscape, including recent divestitures and acquisitions that have resulted in consolidation within the industry. These changes may result in larger competitors with significant resources. Many of our competitors are larger than us and have significant experience with international operations, and we may face competition from them in countries in which we currently offer our products and services, as well as in countries in which we expect to begin offering our products and services. We also expect additional competition from IT firms with current operations in other countries, such as China and the Philippines. While we have historically been able to provide our products and services in our principal markets at competitive prices and on a cost-efficient basis, there can be no assurance that we will be able to do so in the future, as our competitors may be able to offer products and services in those markets. We cannot be reasonably certain that we will be able to compete successfully against such competitors, or that we will not lose clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the price at which our competitors offer comparable products and services, and the extent of our competitors' responsiveness to their clients' needs. Growing competition may force us to reduce the prices of our products and services, which may reduce our revenues and margins and/or decrease our market share, any of which could have a material adverse effect on our business, financial condition and results of operations.

21. *We could become liable to claims by customers, suffer adverse publicity and incur substantial costs as a result of defects in our products or services, which in turn could adversely affect our results of operations.*

Many of our contracts involve providing products and services that are critical to the operations of our customers' business. Any failure or defect in our software or in our customers' products, networks or computer systems could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Although we attempt to limit our contractual liability for all damages, including consequential damages, in rendering our services, we cannot be assured that the limitations on liability we provide for in our service contracts will be enforceable in all cases, or that they will otherwise be sufficient to protect us from liability for damages. However, we cannot be assured that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, in certain instances we also give performance bank guarantees to our clients and in case we are not able to perform as desired, the clients may invoke the bank guarantees to claim damages. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our financial condition and results of operations.

22. *We derive a significant portion of our revenues from exports and accordingly face exchange rate risks.*

We generate a significant portion of our revenues in U.S. Dollars and other foreign currencies, and a significant portion of our expenses are incurred in Rupees. While depreciation of the Rupee against the U.S. Dollar and other foreign currencies increases the Rupee value of such revenues and so helps mitigate the negative effect of a depreciation of the Rupee, an appreciation of the Rupee, particularly with respect to the U.S. Dollar, decreases the Rupee value of our such revenues and also affects the competitive advantage of locating our global development centers in India. Further, we may import certain hardware and software for future expansion. An adverse change in currency exchange rates will increase the cost of these imports. We have not identified the amount of hardware and software that we will need to import for future expansion.

23. Our success depends largely on our senior management and key personnel and our ability to attract and retain them.

We are highly dependent on the senior management of our Company and its subsidiaries. Our future performance will be affected by the lack of continued service of these persons. We do not maintain key man life insurance for any of the senior members of our management team or other key personnel. Competition for senior management in our industry is intense, and we may not be able to retain such senior management personnel or attract and retain new senior management personnel in the future. The loss of any of the members of our senior management or other key personnel may adversely affect our business, results of operations and financial condition.

24. The industry is highly dependent on skill sets and domain expertise of our employees, which are not readily replaceable. We may be unable to attract and retain skilled professionals in the competitive job market for IT professionals.

We have trained personnel in this line of business and lay emphasis on training and skill upgradation through training programmes for our employees. Our ability to sustain our growth depends, in large part, on our ability to attract, train, motivate and retain highly skilled key personnel, particularly in the creative area of software development. We believe that there is significant demand for personnel who possess the skills needed to perform the services we offer. Our inability to hire and retain additional qualified personnel will impair our ability to continue to expand our business. An increase in the rate of attrition for our experienced employees, would adversely affect our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of technical personnel with the requisite skills to replace those personnel who leave. Further, we cannot assure you that we will be able to re-deploy and re-train our technical personnel to keep pace with continuing changes in our business.

25. Increases in wages for IT professionals could reduce our cash flows and profit margins.

Historically, wage costs in the Indian IT services industry have been significantly lower than wage costs in the developed countries for comparable skilled technical personnel. However, in recent years wage costs in the Indian services industry have been increasing at a faster rate than those in certain developed countries. In the long term, wage increases may make us less competitive unless we are able to continue increasing the efficiency and productivity of our professionals and the prices we can charge for our products and services. Increases in wages, including an increase in the cash component of our compensation expenses, may reduce our cash flows and our profit margins.

26. Our Company is actively present in multiple domains i.e. Logistics & Transportation, BFSI, Pharma & Healthcare, Telecom, E-Governance and RFID solutions and has the necessary people and the skill sets across these domains. Although such diversification limits risk of fluctuation in our profitability from business fluctuations in any of these

verticals, it could also result in lack of focus in any one domain by our management. This may result in loss of existing clientele, risk business continuity and future profitability from such vertical.

27. *If we are unable to successfully protect our computer systems from security risks, our business could suffer particularly since our Company's operations involve transmission of data through Internet, which involves security risks.*

Few of our products and solutions operate on web technologies. Our client contracts require us to comply with certain security obligations, including maintenance of network security, back-up of data, ensuring our network is virus-free and ensuring the credentials of those employees who work with our clients. We cannot assure you that we will be able to comply with all these obligations and not incur any liability. Further, while we have implemented industry-standard security measures, our network may still be vulnerable to unauthorized access, computer viruses and other disruptive problems. A party that is able to circumvent security measures could misappropriate proprietary information and cause interruptions in our operations. We may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. There can be no assurance that any measures implemented will not be circumvented in the future.

28. *Our insurance cover may be inadequate to fully protect us from all losses and may intun adversely affect our financial condition.*

We maintain such insurance coverage as we believe is customary in the IT industry in India. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain Office Building, Stocks, Vehicle and Employee Group Health Insurance coverage. However, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

29. *Our clients' proprietary rights may be misappropriated by our people in violation of applicable confidentiality and non-disclosure agreements and as a result, cause us to breach our contractual obligations in relation to such proprietary rights. Further, our employees may infringe intellectual property rights of third parties. This could cause us financial and reputation loss.*

We require our people to enter into non-disclosure and assignment of rights arrangements to limit access to and distribution of our clients' proprietary and confidential information. We can give no assurance that the steps taken by us will be adequate to enforce our clients' intellectual property rights or to adequately prevent the disclosure of confidential information by an employee. If our clients' proprietary rights are misappropriated by our people in violation of any applicable confidentiality agreements or otherwise, our clients may consider us liable for that act and seek damages and compensation from us. In addition to these confidentiality agreements, our client contracts may require us to comply with certain security obligations including maintenance of network security, back-up of data, ensuring our network is virus free and ensuring the credentials of our people that work with our clients. We cannot assure you that we will be able to comply with all such obligations and that we will not incur liability nor have a claim for substantial damages against us. Any such

happening could adversely effect our business reputation, business operations and financial conditions.

Although we believe that the intellectual property rights used by us does not infringe on the intellectual property rights of any other person, infringement claims may be asserted against us in future. There are currently no pending or threatened intellectual property claims against us. In the event, we become liable to third parties for infringing their intellectual property rights, we could be required to pay substantial damages and be forced to develop non-infringing technology or obtain a license. In addition, our efforts to protect our intellectual property (whether formally registered or otherwise, including proprietary information) from being infringed upon or misappropriated may be inadequate.

30. *Our Registered Office from which we operate is not owned by us. Further, our branch offices, from where we operate, are also leased. Discontinuation of lease agreements may require us to vacate such premises which may have an adverse impact on our business continuity and profitability.*

We do not own the premises on which our registered office in Bangalore is located. We operate from rented premises. Further, the lease agreement for our registered office located in Bangalore expires on June 15, 2011.

Other than the registered office, the lease deeds/agreements entered into by our Company for its branches are not adequately stamped and registered. The potential consequence of this could be that the said lease documents may not be admissible as evidence in a court of law, until the relevant stamp duties and penalties are paid and the relevant registration, if required, is done. Any claim or adverse order/ finding in connection with these properties could adversely affect the operations of our Company. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations. For more details, please refer to section titled 'Immovable Property' on page [●] of this Draft Red Herring Prospectus.

31. *Our global operations expose us to complex management, foreign currency, legal, tax and economic risks.*

We have our operations in countries outside India and a few of our professionals are based overseas. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations in international markets, including:

- cost structures and cultural and language factors, associated with managing and coordinating our global operations;
- compliance with a wide range of regulatory requirements, foreign laws, including immigration, labour and tax laws where we usually rely on the opinions of experts on such matters;
- difficulty in staffing and managing foreign operations;
- potential difficulties with respect to protection of our intellectual property rights in some countries; and
- exchange rate volatility.

The risks stated above and the constantly changing dynamics of international markets could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

32. *Immigration restrictions could limit our ability to expand our operations in the United States and Europe. We derive a high proportion of our revenues (approximately 93% of our consolidated revenues) from clients located in the United States and Europe, which may be materially affected by such legislation. Offshore outsourcing has come under increased scrutiny by various state governments in the United States and European countries.*
33. *The valuations of companies in the IT industry are presently high, which may not be sustained in the future and may also not be reflective of future valuations in the industry. There is no standard valuation methodology or accounting practices as the sector is domain centric and technology driven.*

We are engaged in providing information technology services and products in Logistics & Transportation, BFSI, Pharma & Healthcare, Telecom, e-Governance and RFID verticals. The valuations in the Software/ IT industry have been varying substantially in the recent past and hence current valuation may not be reflective of future valuations in the industry. There is no standard valuation methodology or accounting practices in the IT related industries. Our financials are not strictly comparable with the players in the industry. These evaluations in the software/information technology industry may not be sustained in future and current valuations may not be reflective of future valuations for the industry

34. *We may face difficulties in providing new and existing service offerings, which could lead to clients discontinuing or delaying their work with us.*

We have been expanding the nature and scope of our engagements by extending the range of services we offer. We have recently added new service offerings by entering in to Software Marketing and Licensing Agreement dated March 20, 2008 with Radgov, Inc. our Group Company for marketing and licensing the products of Radgov Inc as mentioned therein. The success of these service offerings is dependent, in part, upon continued demand for such services by our existing and new clients and our ability to meet this demand in a cost-competitive and effective manner. We cannot be certain that we will be able to attract existing and new clients for such new services or effectively meet our clients' needs. The increased breadth of our service offerings may result in larger and more complex projects for our clients. This will require us to establish closer relationships with our clients, which may increase our sales costs, and also requires a thorough understanding of their operations.

Our ability to establish such relationships will depend on a number of factors including the proficiency of our management personnel and our software professionals as well as our ability to compete effectively and win large engagements in competition with larger or well-established firms. Larger projects may involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for additional stages or may cancel or delay additional planned engagements. These terminations, cancellations or delays may result from the business or financial condition of our clients or the general economy, as opposed to factors related to the quality of our services. Such cancellations or delays make it difficult to plan for project resource requirements, and inaccuracies in such resource planning may have a negative impact on our profitability.

35. *Delays or defaults in client payments could result in a reduction of our profits.*

We regularly commit resources to projects prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on projects as they are incurred. We may be subject to working capital shortages due to delays or defaults in client payments. If clients default in their payments on a project to which we have devoted significant resources or if a project in which we have invested significant resources is delayed, cancelled or does

not proceed to completion, it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

36. The financial statements of certain of the entities forming part of our Group Companies are unaudited.

The financial statements of some of the entities forming part of our Group Companies have not been audited as there is no statutory requirement under the relevant statutes under which these entities are organized to have audited financial statements. For details on the Group Companies please refer to the section titled “Group Companies” beginning on page [•] of this Draft Red Herring Prospectus.

37. Some of our subsidiaries/group companies, as depicted below, have incurred losses in the past three years

Particulars	2005	2006	2007	2008
Azoore, Inc.*	(1050.00)	(1050.00)	(810.00)	
Azooop, Inc.*	(1050.00)	(1050.00)	(810.00)	
Six Sides Properties, LLC*	-	-	(98,067.00)	
Radiant Info Limited**			(15916.00)	(42,634.61)
Redwood Financial Technologies LLC*				(760)

* figures mentioned are in USD and for the year ended December 31 of that respective year

** figures mentioned are in GBP and for the year ended March 31 of that respective year

38. Our Company has a negative cash flow in the past 5 years, details of which are given below. Sustained negative cash flow could impact our growth and business.

(Rs. lacs)		
Particulars	March 31, 2008	March 31, 2004
Cash flow from operating activities	(71.67)	(21.30)

39. For the year ended March 31, 2008, we have provided for bad and doubtful debts to the tune of Rs. 26.50 lacs (representing 1.59% of our total debtors). Any substantial increase in bad and doubtful debts may adversely affect our financial performance.

40. Potential conflict/conflict with our Group concerns may impact our Company's operations and profits

Some of our group companies Admirance Software Private Limited, Radgov Solutions (India) Private Limited and Radgov, Inc., are authorized to undertake/are carrying on, business activities which are similar to the activities of our Company under their Memorandum of Association. Presently Radgov Solutions (India) Private Limited and Admirance Software Private Limited are not pursuing any business activities. Although presently these companies are not engaged in similar line of business activities which are directly competing with the business of our Company, however, in the event that these companies undertake activities in future which compete with the business of our Company, there may be a potential conflict of interest, which may have implications on our operations and profits.

We have entered into a non-compete agreement with Radgov, Inc, to demarcate the business activities and to ensure that we do not overlap each other's businesses. For further details on the non-compete agreement please refer the section 'Our History and certain corporate matters' beginning on page [•] of this Draft Red Herring Prospectus.

41. Members of our Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

After this Issue, members of our Promoter group will beneficially hold approximately 53.27% of our post-Issue Equity Share Capital. As a result, our Promoter Group will have the ability to exercise significant influence over the matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. The Promoter Group will also be in a position to influence the result of any shareholders' action or approval requiring a majority vote, except where they are required by applicable laws to abstain from voting. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

D) External Risk Factors

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

Offshore outsourcing has been the subject of intense political debate, and has come under increased government scrutiny within the United States due to its perceived association with loss of jobs in the United States. Several U.S. state governments have implemented or are actively considering implementing restrictions on outsourcing by U.S. state government entities to offshore IT Services providers. Any changes in the United States, Europe or other countries to their existing laws or the enactment of new legislation restricting offshore outsourcing, particularly by private companies, may adversely impact our business, financial condition and results of operations and could the price of our Equity Shares to decline.

43. Reduction or termination of our tax incentives will increase our tax liability and reduce our profitability.

Currently, we benefit from certain tax incentives under Section 10A of the Income Tax Act for the technology services that we provide from specially designated "Software Technology Parks," or STPs. As a result of these incentives, our operations in India have been subject to relatively low tax liabilities. We had incurred minimal income tax expenses as a result of the tax holiday, compared to the tax expense that we would have incurred if the tax holiday had not been available for that period. Under current laws, the tax incentives available to these units terminate on the earlier of the ten-year anniversary of the commencement of operations of the unit or the Fiscal ending March 31, 2010. We cannot assure you that the Indian government will not enact laws in the future that would adversely impact our tax incentives and consequently, our tax liabilities and profits. When our tax incentives expire or terminate, our tax expense will materially increase which could have a material adverse effect on our financial condition and results of operations and could cause the price of our Equity Shares to decline.

44. We are subject to adverse impact of economic and political conditions.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

45. Our performance is linked to the stability of policies and political situation in India.

The role of the Indian central and state governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. We cannot assure you that these liberalization policies will continue in the future. Any adverse move could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

46. Risks arising from changes in taxation policies, statutory taxes and other levies affect the operational costs of our Company. Any increase in any of these taxes or levies in the future, may have a material adverse impact on our business, results of operations and financial condition.

47. Terrorist attacks and other acts of violence or war involving India, the United States, and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, results of operations and financial condition.

Terrorist attacks and other acts of violence or war, including those involving India, the United States or other countries, may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

48. There has been no public market for the Equity Shares prior to this Issue and so the Issue Price may not be indicative of the value of the Equity Shares.

There has been no public market for the Equity Shares of our Company and the prices of the Equity Shares may fluctuate. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the prices at which the Equity Shares are sold in this Issue will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

49. Volatility of share prices on listing

After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop. The prices of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- Volatility in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Perceptions about our future performance or the performance of IT companies generally;
- Performance of our Company's competitors in the IT Industry and market perception of investments in the IT sector;
- Adverse media reports on our Company or the IT industry;

- Changes in the applicable tax incentives;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

50. You may not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you purchase in the Issue.

Under the SEBI Guidelines, we are permitted to allot Equity Shares within 15 days of the closure of the Public Issue. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 15 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence, within the specified time periods.

51. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price of our Equity Shares will be determined by the Book Building Process. This price will be based on numerous factors (discussed in the section 'Basis for Issue Price' on page [•]) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- a) Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- b) Changes in revenue or earnings estimates or publication of research reports by analysts;
- c) Speculation in the press or investment community;
- d) General market conditions; and
- e) Domestic and international economic, legal and regulatory factors unrelated to our performance.

52. Any disruption in the supply of power, IT infrastructure, telecom lines and disruption in internet connectivity could disrupt our business process or subject us to additional costs.

India's infrastructure, in particular its roads, airports and power sectors, needs to be upgraded to support the growth in the country. Infrastructure in the cities needs to be improved substantially to handle the expansion of the IT industry. Any disruption in basic infrastructure or the failure of the Government to improve the existing infrastructure facilities could negatively impact our business since we may not be able to provide timely or adequate services to our clients. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, IT infrastructure, internet connectivity or telecom lines is disrupted. This may result in the loss of a client, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations and could the price of our Equity Shares to decline.

Notes to Risk Factors:

1. Pre-Issue Net Worth of our Company as on March 31, 2008 is Rs. 2270.39 lacs on a standalone basis, and on a consolidated basis the Net Worth as on March 31, 2008 is Rs. 2633.97 lacs.
2. Size of the Present Issue - Issue of 65,07,093 Equity Shares of Rs. 10/- each issued at a premium of Rs. [●] for cash, aggregating Rs. [●] Lacs. The face value of the Equity Shares is Rs. 10/- and the Issue Price is [●] times the face value. The Issue would constitute 31.85% of the fully diluted post issue paid up capital of our Company.
3. The average cost of acquisition of Equity Shares of the promoters is given below

Sr. No	Name of our Promoters	Average cost of acquisition of shares (Rs.)
1.	Mr. Venu Myneni	5.13
2.	Mr. Vinod Koduru	5.13
3.	Mr. C. Narayanacharyulu	6.00

4. Book Value of our Company as on March 31, 2008 is Rs. 16.31 on a standalone basis, and on a consolidated basis the Book Value as on March 31, 2008 is Rs. 32.99.
5. Our Company had, on October 12, 2006 allotted 8,50,000 Equity Shares and on October 23, 2007, allotted 2833383 equity shares to the then existing shareholders of our Company by way of a bonus issue in the ratio of 1:17 and 3:2 respectively. The issuance of bonus shares was effected out of our Company's free reserves.
6. Other than as stated in the section titled "Capital Structure" beginning on page 47 of this Prospectus, our Company has not issued any Equity Shares for considerations other than cash.
7. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with BSE, the Designated Stock Exchange.
8. No part of the Issue proceeds will be paid as consideration to Promoters, Directors, Key Managerial Personnel, Associate Companies or Group Companies.
9. Investors may contact the BRLMs or the Compliance officer for any compliant/clarification/information pertaining to the issue. For contact details of the BRLMs please refer to the front cover page.
10. Our Company and the BRLMs shall update this Draft Red Herring Prospectus in accordance with the Companies Act, 1956. All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.
11. Except as mentioned in the Auditor's report, there are no contingent liabilities as on March 31, 2008.
12. Investors are advised to refer to the paragraph 'Basis for Issue Price' beginning on page [●] before making an investment in this Issue.
13. Trading in Equity Shares for all investors shall be in dematerialized form only.
14. Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain

from the Depository, demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form and also update their demographic details with their respective Depository Participant.

15. For details of liens and hypothecation on the properties and assets of our Company please see Section on 'Financial Statements' on page [●].
16. For details of related party transactions, loans and advances made to any company in which our directors are interested, please refer to the heading 'Related Party Transactions', appearing in the section titled 'Financial Information' on page [●] of the Draft Red Herring Prospectus.
17. This Issue is being made through a 100% Book Building Process wherein atleast 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, upto 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

SECTION IV - INTRODUCTION

SUMMARY

You should read the following summary together with the risk factors and the more detailed information about us and our financial data included in this Draft Red Herring Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports & data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, see “Forward Looking Statements and Market Data” on page no. [●] in this Draft Red Herring Prospectus.

Summary about the Industry

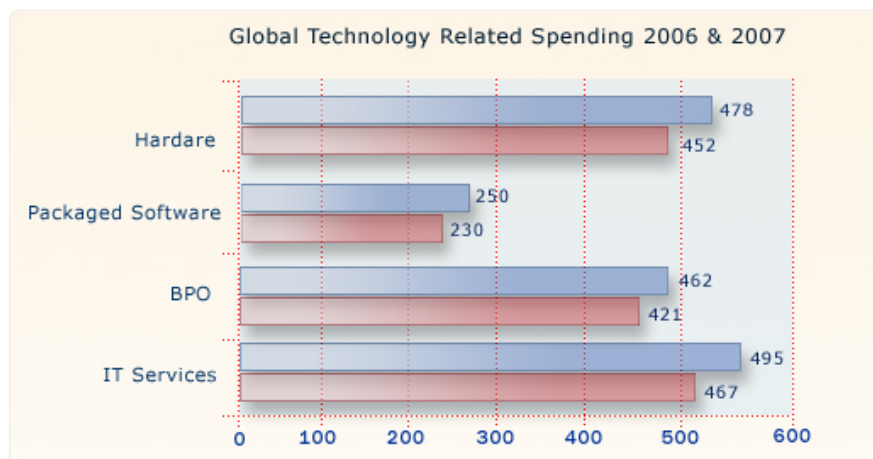
Worldwide Information Technology Industry

Past decade and half is the most opportunistic period for Information Technology service providers in countries like India, which is the result of an irreversible globalization. In the coming decade considerable changes are expected within the market due to an upward shift in the business process efficiencies and companies excelling in this will stand out in the industry.

The global IT services market includes multiple segments such as IT outsourcing, Project based services and Support and Training.

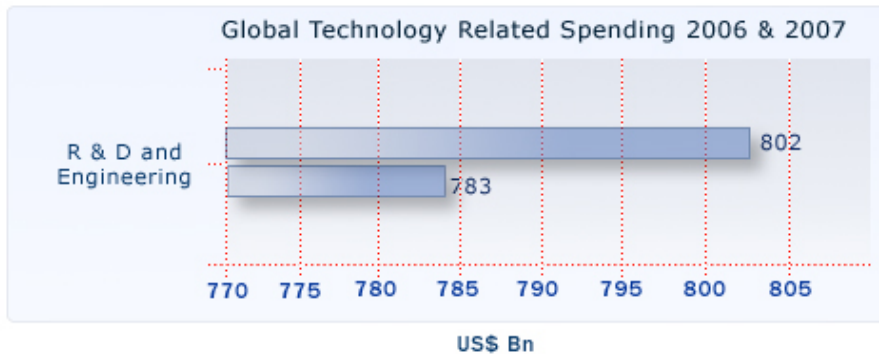
Global Technology related spending

Global Technology related spending remained strong in 2007 and estimated to grow across categories at an average of 7.3 percent according to the NASSCOM strategic review 2008.



Source: NASSCOM, Strategic Review 2008

(US\$ Billion)



2007 was a year of continued growth for the technology and related services sector, with the worldwide spending aggregate estimated to reach nearly US\$ 1.7 trillion, a growth of 7.3% over the previous year.

IT segments, across have witnessed tremendous growth between 2002 to 2007 and the trend is expected to continue.

Regional trends in IT Services spends

North America and Western Europe, together accounts for over 80% of the worldwide IT services spends. The macro-economic and business dynamics in these regions plays a dominant role in defining regional patterns and trends.

Growth in IT services spends in key emerging markets such as India and China is about twice the regional average estimated at 20% and 19% respectively. Other markets like Brazil, Russia and several other countries in the CEMA region are also witnessing accelerated IT adoption. This growth is attributed to corporate tax law and exchange rate changes, driven by faster uptake of new architectural services, new infrastructural services and larger investment in enterprise solutions like ERP and custom application services.

(Source: NASSCOM, Strategic Review 2008)

Domestic IT spending

The liberalization of Indian economic policy, de-regulation of key sectors and progressive moves towards further integrating India with the global economy has been a key driver of increased IT adoption in the country. This is best reflected in the fact that most indigenous players in telecom and banking, two key sectors with significant multinational corporation (MNC) participation, have significantly upgraded their levels of IT adoption to offer best-in-class services comparable to those offered by the global competition and these two sectors together account for approximately 35-40 percent of the domestic spend on IT services.

Similar competitive pressures in other more recently deregulated service sectors such as airlines and insurance, and the uptake in the manufacturing and industrial sectors; and the several large e-governance initiatives launched by the government under the National E-Governance Plan (NEGP) are expected to provide sustained growth in domestic demand for IT services over the next few years. India's domestic IT-BPO market is expected to cross US\$ 23 billion in 2008 and a healthy growth is expected across all segments.

Source: NASSCOM, Strategic Review 2008

Global IT-BPO Offshore Market

Even as global delivery assumes a more distributed pattern, India remains the anchor location accounting for 58% market share in off-shore IT-BPO. Strong growth reported by the 'Indian

multinationals' as well as the continued emphasis on building India-based delivery capabilities are the reasons for this. It is estimated that India-based resources account for about 60-70% of the offshore delivery capacities available across the leading multinational IT-BPO players. Reports indicate that about three-fourths of the Fortune 500 and at least half of the Global 2000 corporations are already sourcing technology services from India.

(Source: NASSCOM, Strategic Review)

Summary about our Company's Business

We are in the business of providing a range of Information Technology solutions to companies worldwide. Primarily our focus is on the following business verticals:

- Transportation & Logistics
- Pharma & Healthcare
- Financial
- Telecom
- E-Governance
- Radsmart

Our products and solutions also cater to the following industries:

- Manufacturing
- Utilities
- Retail
- Technology Providers

Our Company is headquartered in Bangalore, the silicon valley of India and also has its office in Hyderabad. It also has its presence in New Jersey, Texas and Connecticut in USA and in UK through its subsidiary Radiant Systems, Inc.

Our key clients (including that of our Subsidiary) in the above verticals include Fortune 500 companies like AT&T, Motorola, Novartis, Sanofi-Aventis, Pfizer, Johnson & Johnson, Hewlett Packard, Caterpillar, Coke, Goldman Sachs, Guardian, Metlife, Prudential etc,.. In India we cater to the likes of KSRTC, APSRTC, TNSETC, GSRTC, Oracle, IBM, Samsung, ITC, BEL, Government of Karnataka, Krishna Grameena Bank, State Bank of Mysore, Hindustan Lever Limited, Government of Andhra Pradesh, Electronic Corporation of India (ECIL).

Our Competitive Strengths

- A) Range of product offerings
- B) Broad Range of IT Services
- C) Strong management team
- D) Cost-effective solutions
- E) Global delivery model
- F) Human Capital
- G) Focus on long term revenue stream

Our Business Strategy

- A) Expansion of our products business
 - Enhance our product offerings
 - Creation of new products
- B) Expansion of our service offerings
- C) Cross-selling to our existing customer base
- D) Strengthening our brands
- E) Further developing our alliances
- F) Maintaining our strategic focus on Indian market

BRIEF DETAILS OF THE ISSUE

Equity Shares offered:
Fresh Issue by our Company

65,07,093 Equity Shares

Issue Price

Rs. [●] per Equity Share

Issue to the Public

65,07,093 Equity Shares

Of which:

(A) Qualified Institutional Buyers 32,53,547 Equity Shares
portion (QIBs) - Atleast 50% of (Allocation on a proportionate basis)
the Total Issue size

Of the above 32,53,547 Equity Shares, 1,62,677 Equity Shares shall be available for allocation to Mutual Funds

The balance 30,90,870 Equity Shares shall be available to all QIBs, including Mutual Funds

(B) Non-Institutional Portion- Upto 9,76,064 Equity Shares
15% of the Total Issue Size (Allocation on a proportionate basis)

(C) Retail Portion - Upto 35% of the 22,77,482 Equity Shares
total Issue Size (Allocation on a proportionate basis)

Note: Under-subscription, if any, in any category **except in the QIB category** would be met with spill over from other categories at our sole discretion, in consultation with the BRLMs. **If a minimum allotment of 50% of the Issue is not made to the QIBs, the entire subscription monies shall be refunded.**

Equity Shares outstanding prior to the Issue 1,39,22,907 Equity Shares of face value of Rs.10/- each

Equity Shares outstanding after the Issue 2,04,30,000 Equity Shares of face value of Rs.10/- each

Use of Issue proceeds

Please see section titled "Objects of the Issue" on page no. [●] of this Draft Red Herring Prospectus for additional information.

SUMMARY OF FINANCIAL INFORMATION (STANDALONE)

The following summary financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the Auditor's Report of our statutory auditor's, P. Murali & Co., Chartered Accountants dated July 12, 2008 in the section titled 'Financial Information'. You should read this financial data in conjunction with our financial statements for each of Fiscal 2004, 2005, 2006, 2007 and 2008 including the Notes thereto and the Reports thereon, which appears under the paragraph on 'Financial Information' in this Draft Red Herring Prospectus, and 'Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements' on page [•].

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lacs)

	PARTICULARS	AS AT				
		31/03/08	31/03/07	31/03/06	31/03/05	31/03/04
A)	FIXED ASSETS					
	Gross Block	664.46	572.44	276.29	156.26	142.01
	Less: Depreciation	203.97	120.90	79.17	60.73	45.15
	NET BLOCK	460.49	451.54	197.12	95.53	96.86
	Capital Work in Progress	-	-	-	-	-
	TOTAL FIXED ASSETS (A)	460.49	451.54	197.12	95.53	96.86
B)	INVESTMENTS (B)	680.00	-	1.00	-	-
C)	CURRENT ASSETS, LOANS & ADVANCES					
	Inventories	3.21	5.84	49.76	38.08	29.71
	Sundry Debtors	1642.40	764.63	83.24	45.88	45.30
	Cash & Bank Balance	11.67	24.68	77.26	20.53	11.83
	Loans & Advances	224.69	147.76	174.32	38.68	44.20
	TOTAL (C)	1881.97	942.91	384.58	143.17	131.04
D)	LIABILITIES & PROVISIONS					
	Secured Loans	147.06	59.77	29.27	27.86	14.93
	Un Secured Loans	-	15.00	60.79	-	-
	Deferred Tax Liability	61.79	43.11	10.98	11.04	10.29
	Advances received against Export	--	-	128.31	53.72	106.15
	Current Liabilities	337.09	575.16	266.92	96.35	54.05
	Provision for Taxation	111.31	8.23	0.58	-	0.01
	Provision Others	94.82	41.60	19.98	8.12	3.72
	TOTAL (D)	752.07	742.87	516.83	197.09	189.15
E)	NET WORTH (A+B+C- D)	2270.39	651.58	65.87	41.61	38.75
F)	Represented By :					
1)	Share Capital					
	- Equity Share Capital *	1392.27	409.96	5.00	5.00	5.00
	- Preference Share Capital	-	-	-	-	-
	Less : Call in Arrears	-	-	-	-	-
	TOTAL	1392.27	409.96	5.00	5.00	5.00
2)	Share Application Money					
	- Equity Share Capital	-	-	-	-	-
	- Preference Share Capital	-	-	-	-	-
	TOTAL	-	-	-	-	-

3)	Reserves & Surplus	1086.88	326.62	60.87	36.61	33.75
	Add: Share Premium	74.58	-	-	-	-
	Less: Capitalisation of issue of bonus shares	283.34	85.00	-	-	-
	Net Reserves & Surplus	878.12	241.62	60.87	36.61	33.75
4)	Miscellaneous Expenditure	--	-	-	-	-
5)	Debit balance in P & L a/c	-	-	-	-	-
	NET WORTH (1+2+3- 4-5)	2270.39	651.58	65.87	41.61	38.75

* The Share Capital as at 31st March, 2007, includes bonus shares issued for Rs.85.00 Lacs

* The Share Capital as at 31st March , 2008, includes bonus shares issued for Rs.283.34 Lacs

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs in Lacs)

	PARTICULARS	FOR THE YEAR ENDED				
		31/03/08	31/03/07	31/03/06	31/03/05	31/03/04
A)	INCOME					
	Sales					
	Export Sales	2012.93	677.37	343.12	334.25	83.36
	Domestic Sales	769.36	935.70	388.19	94.44	127.49
	Less: Excise Duty	-	-	-	-	-
	Net Sales	2782.29	1613.07	731.31	428.69	210.85
	Other Income	1.51	6.21	4.42	0.25	11.06
	Increase / (Decrease) of Stock	(2.69)	(43.73)	42.40	(11.80)	12.94
	TOTAL (A)	2781.11	1575.55	778.13	417.14	234.85
B)	EXPENDITURE					
	Raw Materials Consumed	188.77	282.38	123.15	28.07	63.02
	Operating and other Expenses	51.47	21.12	25.19	14.72	11.81
	Staff cost	985.17	623.43	322.87	201.77	83.25
	Administrative & Other Expenses	474.27	265.61	231.65	127.30	59.52
	Restated- Adjustment for Administrative Exp.	-	18.32	21.31	21.44	2.81
	TOTAL (B)	1699.68	1210.86	724.17	393.30	220.41
C)	Profit before Interest, Depreciation and Tax	1081.43	364.69	53.96	23.84	14.44
	Depreciation	83.72	62.89	19.13	12.68	15.35
	Restated- Adjustment for Depreciation	-	(24.36)	(0.69)	2.90	(1.48)
	Profit before Interest & Tax	997.71	326.16	35.52	8.26	0.57
	Financial Charges	13.45	8.35	7.13	4.65	1.29
D)	Profit/(Loss) after Interest & before Tax	984.26	317.81	28.39	3.61	(0.72)
	Preliminary Expenses w/o	--	4.40	-	-	-
E)	Profit/(loss) before Taxation	984.26	313.41	28.39	3.61	(0.72)
	Provision for Taxation	111.31	-	-	-	0.01
	Restated-Adjustment Provision for Taxation	--	8.23	0.58	-	-
	Provision for Deferred IncomeTax Liability / (Asset)	18.68	18.26	(3.02)	1.75	0.21
	Restated- Adjustment for Deferred Tax	-	13.87	2.96	(1.00)	1.54
	Provision for FBT	9.01	7.30	3.61	-	-

F)	Profit/(Loss) after Tax but before Extra ordinary items	845.26	265.75	24.26	2.86	(2.48)
G)	Profit/(Loss) after Extraordinary items	845.26	265.75	24.26	2.86	(2.48)
	Surplus Profit of earlier years	241.62	60.87	36.61	33.75	40.31
	Restated- Adjustment for depreciation recalculation	--	-	-	-	9.36
	Rastated- Prior Period Expenses					(10.74)
	Restated- Deferred Tax Liability	--				(2.70)
H)	Net Profit Available for Appropriation	1086.88	326.62	60.87	36.61	33.75
	Proposed Dividend		-	-	-	-
	Tax on Proposed Dividend		-	-	-	-
	Transferred to General Reserve		-	-	-	-
	Balance Carried Forward to Balance Sheet	1086.88	326.62	60.87	36.61	33.75

GENERAL INFORMATION



RADIANT INFO SYSTEMS LIMITED

(Our Company was incorporated as 'Radiant Info Systems Private Limited' under the provisions of the Companies Act, 1956 pursuant to a Certificate of Incorporation dated September 25, 1997. Subsequently, our Company was converted into a public limited company vide a fresh certificate of incorporation dated January 22, 2008 and the name was changed to Radiant Info Systems Limited. For details in change of the registered office of our Company please refer to the section titled "Our History and Certain Corporate Matters" beginning on page [●] of the Draft Red Herring Prospectus.)

Registered Office: 2227/1, Div No.52A, 9th Main, Banashankari Stage II, Bangalore - 560 070.

Tel No: +91-80-2676 3316; **Fax No:** +91-80-2676 7702;

E-mail: ipo@radiantinfo.com; **Website:** www.radiantinfo.com

Contact Person: Mr. Satish Anand, Finance Manager

Corporate Identification No: U30007KA1997PLC022820

Our Company is registered with the Registrar of Companies, Karnataka, Bangalore, situated at: E-Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bangalore 560 034.

Our Board of Directors

Name of Director	Designation
Mr. Venu Myneni	Chairman & Managing Director
Mr. Vinod Koduru	Vice-Chairman & Executive Director
Mr. C. Narayanacharyulu	Director
Mr. V.V. Parthasarathy	Non executive and Independent Director
Mr. M. N. Nambiar	Non executive and Independent Director
Mr.Venu Madhav Palaparthi	Non executive and Independent Director

For detailed profile of our Directors, please refer to the section titled 'Our Management' on page [●] of this Draft Red Herring Prospectus.

Company Secretary & Compliance officer

Mr. Srinivasa Sitharam A.
Radiant Info Systems Limited
2227/1, Div No.52A,
9th Main, Banashankari Stage II,
Bangalore - 560 070
Tel No: +91-80-2676 3316;
Fax No: +91-80-2676 7702;
E-mail: ipo@radiantinfo.com
Website: www.radiantinfo.com

Investors can contact the compliance officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders etc.

Book Running Lead Managers

IL&FS Investsmart Securities Limited

The IL&FS Financial Centre, Plot No. C-22,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Tel No: +91-22-2653 3333
Fax No: +91-22-6693 1862
Website: www.investsmartindia.com
Email: radiant.ipo@investsmartindia.com
Contact Person: Ms. Shilpa Pandey/Mr. Amit Porwal

Saffron Capital Advisors Private Limited

Ground Floor, Vilco Center
8, Subhash Road, Vile Parle (East)
Mumbai - 400 057.
Tel No: +91-22-4082 0906/0903
Fax No: +91-22-2682 0502
Website: www.saffronadvisor.com
Email: radiant.ipo@saffronadvisor.com
Contact Person: Mr. Saurabh Vijay

Legal Advisors to the Issue

ALMT Legal

Advocates & Solicitors

2, Lavelle Road
Bangalore - 560 001
Tel No: +91-80-4016 0000
Fax No: +91-80-4016 0001
Email: bangalore@almtlegal.com
Contact Person: Ms. Dhanya Menon

Registrar to the Issue

Aarthi Consultants Private Limited

1-2-285, Domalguda,
Hyderabad - 500 029
Tel No: 91-40-2763 4445 / 2763 8111
Fax No: 91-40-2763 2184
Email: radiant.ipo@aarthiconsultants.com
Website: www.aarthiconsultants.com
Contact Person: Mr. G. Bhaskar

Statutory Auditors

P. Murali & Co.

Chartered Accountants

6-3-655/2/3, Somajiguda
Hyderabad - 500 082.
Tel No: +91-40-2332 6666/2331 2554

Fax No: +91-40-2339 2474
Email: info@pmurali.com
Contact Person: Mr. P. Murali Mohana Rao

Bankers to our Company

ING Vysya Bank Limited
233, 9th Main, 3rd Block
Jayanagar
Bangalore - 560 011
Tel No: 91-80-2244 4172
Fax No: 91-80-2244 4172/2663 2865
Email: yuvarajs@ingvysyabank.com
Website: www.ingvysyabank.com
Contact Person: Mr. S. Yuvaraj

Bankers to the Issue and Escrow Collection Banks

- [•] The Bankers to the Issue and Escrow Collection Banks shall be finalized before filing the RHP with RoC.

Syndicate Member(s)

- [•] The Syndicate member(s) shall be finalized before filing the RHP with RoC.

Brokers to the Issue

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

IPO Grading Agency

- [•]

Details of IPO Grading will be incorporated before the filing of RHP with RoC.

Trustees

This being an issue of Equity Shares, appointment of trustees is not required.

Project Appraisal and Monitoring Agency

The project is not appraised by any Bank/Financial Institution. As per clause 8.17.1 of the SEBI DIP Guidelines, monitoring agency is required to be appointed in case the public issue size exceeds Rs. 500 crores. Since our proposed IPO size shall not exceed Rs. 500 crore, we do not propose to appoint a Monitoring Agency.

However, as per the Clause 49 of the Listing Agreement to be entered into with the stock exchanges upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

Statement of inter-se responsibilities of the BRLM(s) for the Issue

Activities	Responsibility	Coordinator
Capital structuring with the relative components and formalities such as type of instruments, etc.	IISL and Saffron	Saffron
Due diligence of the Company's operations/ management/ business plans/ legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and filing with the RoC.	IISL and Saffron	Saffron
Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	IISL and Saffron	Saffron
Appointment of other Intermediaries: (a) Printers; (b) Registrar; (c) Advertising agency; and (d) Bankers to the Issue.	IISL and Saffron	Saffron
Marketing of the Issue which will cover, inter alia <ul style="list-style-type: none"> Formulating international institutional marketing strategy, road show marketing presentation, frequently answered questions and co-ordination for all roadshow logistics; and Finalize the list and division of investors for one on one meetings, institutional allocation. 	IISL and Saffron	IISL
Retail/Non-institutional marketing strategy which will cover, inter alia, <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget; Finalizing media, marketing and public relations strategy; Finalizing centres for holding conferences for brokers, etc; Finalizing collection centers and arranging for selection of underwriters and underwriting agreement; and Following-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material 	IISL and Saffron	IISL
Managing the book, coordination with Stock Exchanges and pricing.	IISL and Saffron	Saffron
Post Bidding activities including management of Escrow Accounts, coordination with the Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc.	Saffron	Saffron
The post Issue activities of the Issue will involve essential follow up steps, which include finalization of Basis of Allotment/ weeding out of multiple applications, listing of instruments, trading and dealing instruments and dispatch of certificates and demat delivery of shares and refunds, with the various agencies connected with the work such as	Saffron	Saffron

Activities	Responsibility	Coordinator
Registrar to the Issue, Bankers to the Issue and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.		

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right, not to proceed with the Issue anytime after the Bid/ Issue Opening Date but before the Board meeting for Allotment, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply only for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the Stock Exchanges.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

Book Building Process

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company
2. The Book Running Lead Managers
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. The BRLMs appoints the Syndicate Members
4. The Registrar to the Issue; and
5. Escrow Collection Banks

The SEBI DIP Guidelines has permitted an issue of securities to the public through the 100% Book Building Process, wherein at least 50% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to Qualified Institutional Buyers and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, upto 15% of the Issue would be allocated to Non-Institutional Bidders and upto 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

We will comply with the SEBI DIP Guidelines for this Issue. In this regard, we have appointed IL&FS Investsmart Securities Limited and Saffron Capital Advisors Private Limited as the BRLMs to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Guidelines is subject to change from time to time and Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. In addition, QIBs are required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs shall be on a proportionate basis. Please refer to the section entitled 'Terms of the Issue' on page [●] of this Draft Red Herring Prospectus for more details.

Steps to be taken by the Bidders for bidding:

- 1) Check eligibility for making a Bid (see chapter titled "Issue Procedure" beginning on page [●] of the Draft Red Herring Prospectus);
- 2) Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- 3) Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
- 4) Ensure that you have mentioned the Permanent Account Number in the Bid-cum-Application Form. For details please refer to the chapter titled 'Issue Procedure' beginning on page [●] of this Draft Red Herring Prospectus. Bidders are specifically requested not to quote their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected.

Bid/Issue Program

Bid/Issue opens on: [●]

Bid/Issue closes on: [●]

Bids and any revision in Bids shall be accepted **only between 1000 hrs and 1500 hrs** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLMs and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted by the Stock Exchanges on Saturdays and holidays as declared by the Exchanges.

The Price Band will be decided by us in consultation with the BRLMs. The announcement on the Price Band shall also be made available on the websites of the BRLMs and at the terminals of the Syndicate.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and prior to filing of the Prospectus with RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed prior to filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
IL&FS Investsmart Securities Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051. Tel No: +91-22-2653 3333 Fax No: +91-22-6693 1862 Website: www.investsmartindia.com Email: radiant.ipo@investsmartindia.com Contact Person: Ms. Shilpa Pandey/Mr. Amit Porwal	[•]	[•]
Saffron Capital Advisors Private Limited Ground Floor, Vilco Center 8, Subhash Road, Vile Parle (East) Mumbai - 400 057 Tel No: +91-22-4082 0906/0903 Fax No: +91-22-2682 0502 Website: www.saffronadvisor.com Email : radiant.ipo@saffronadvisor.com Contact Person: Mr. Saurabh Vijay	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
Total	[•]	[•]

The above-mentioned amount is indicative underwriting and would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated [•].

In the opinion of our Board of Directors and the BRLMs (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned

Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchange(s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Member(s) shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount as specified in the Underwriting Agreement.

CAPITAL STRUCTURE

The Share Capital of our Company as on the date of filing of this Draft Red Herring Prospectus with SEBI is as set forth below:

Particulars		Nominal Value (Rs.)	Aggregate Value (Rs.)
A.	AUTHORISED CAPITAL 2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000	
B.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 1,39,22,907 Equity shares of Rs. 10/- each	13,92,29,070	
C.	ISSUE IN TERMS OF THIS Draft Red Herring Prospectus* 65,07,093 Equity Shares of Rs. 10/- each at a premium of Rs. [●]/- per share	6,50,70,930	[●]
D.	ISSUE TO THE PUBLIC 65,07,093 Equity Shares of Rs. 10/- each at a premium of Rs. [●]/- per share	6,50,70,930	[●]
E.	PAID UP CAPITAL AFTER THE PRESENT ISSUE 2,04,30,000 Equity shares of Rs. 10/- each	20,43,00,000	[●]
F.	SHARE PREMIUM ACCOUNT Before the issue After the issue		74,57,500 [●]

[●] - Will be determined after finalization of the Issue Price.

Our Company is considering a Pre-IPO Placement of Equity Shares with certain investors ("Pre-IPO Placement"). The Pre-IPO placement is at the discretion of our Company. We will complete the issuance of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post Issue paid-up capital being offered to the public.

Notes to Capital Structure:

1. Details of Increase in Authorized Equity Share Capital

Sr. No.	Particulars of Increase/Modification	Date of Meeting	No. of Equity Shares	Face Value	AGM/ EGM
1	Rs. 5 Lacs	Incorporation	5,000	100	-
2	Increased from Rs. 5 Lacs to Rs. 10 Lacs	25-Jan-01	10,000	100	EGM
3	Subdivision of Equity Shares	6-Oct-06	1,00,000	10	EGM
4	Increased from Rs. 10 Lacs to Rs. 100 Lacs	6-Oct-06	10,00,000	10	EGM
5	Increased from Rs. 100 Lacs to Rs. 500 Lacs	7-Dec-06	50,00,000	10	EGM
6	Increased from Rs. 500 Lacs to Rs. 1500 Lacs	22-Oct-07	1,50,00,000	10	EGM

7	Increased from Rs. 1500 Lacs to Rs. 2500 Lacs	11-Feb-08	2,50,00,000	10	EGM
---	---	-----------	-------------	----	-----

2. Equity Share Capital Build-up: Our existing Equity Share Capital has been subscribed and allotted as under:

Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value (Rs.)*	Issue Price (Rs.)	Consideration	Remarks	Cumulative Paid-up Capital (Rs.)	Cumulative Share Premium (Rs.)
25-Sep-97	200	100	100	Cash	Subscription to the Memorandum	20,000	--
31-Mar-98	4,800	100	100	Cash	Further Allotment	5,00,000	--
6-Oct-06	50,000	10	10		Sub-division*	5,00,000	--
12-Oct-06	8,50,000	10	--	Bonus	Issue of bonus shares in the ratio of 17:1	90,00,000	--
2-Jan-07	31,99,574	10	10	Cash	Further Allotment	4,09,95,740	--
10-Apr-07	500	10	10	Cash	Further Allotment	4,10,00,740	--
30-Apr-07	1,50,000	10	10	Cash	Further Allotment	4,25,00,740	--
23-Oct-07	28,33,383	10	--	Bonus	Issue of bonus shares in the ratio of 2:3	7,08,34,570	--
12-Feb-08	68,00,000	10	--	Share Swap	Consideration towards making Radiant Systems, Inc. a wholly owned subsidiary	13,88,34,570	--
10-Mar-08	39,250	10	200	Cash	Further Allotment	13,92,27,070	74,57,500
16-Apr-08	200	10	--	Share Swap	Consideration towards making Radiant Systems, Inc. a wholly owned subsidiary	13,92,29,070	74,57,500

*Vide a special resolution passed in the EGM held on October 06, 2006; the Equity Shares of Rs.100 each were sub-divided into Equity Shares of Rs.10 each.

3. Shares issued for consideration other than cash

Our Company has issued following equity shares for consideration, other than cash:

Date of Issue	Name of the Persons	No. of Shares	Reason
12-Oct-06	Mr. Venu Myneni	4,84,500	Bonus
12-Oct-06	Mr. Vinod Koduru	3,65,500	Bonus
		8,50,000	
23-Oct-07	Mr. Venu Myneni	15,57,837	Bonus
23-Oct-07	Mr. Vinod Koduru	11,75,211	Bonus
23-Oct-07	Mr. C. Narayanacharyulu	1,00,067	Bonus

23-Oct-07	Mr. M. Srinivasa Rao	67	Bonus
23-Oct-07	Mr. K. Janardhan Reddy	67	Bonus
23-Oct-07	Ms. N. Vanajakshi	67	Bonus
23-Oct-07	Ms. Kavitha Reddy	67	Bonus
		28,33,383	
12-Feb-08	Brightway Capital Limited	26,00,000	Consideration towards making Radiant Systems, Inc. a wholly owned subsidiary
12-Feb-08	Redcomet Capital Limited	12,00,000	
12-Feb-08	Skysim Limited	20,00,000	
12-Feb-08	Spiritise Ltd.	5,00,000	
12-Feb-08	TransArtica Co. Ltd.	5,00,000	
16-Apr-08	Mr. Venu Myneni	114	
16-Apr-08	Mr. Vinod Koduru	86	
		68,00,200	

The Bonus shares have been issued by capitalisation of free reserves

4. Promoters' Contribution and Lock-in details:

Capital built up of the Promoters is detailed below:

Name of Promoter	Date of Allotment / Transfer and Made Fully Paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid up Capital	Lock in Period (Years)*
Mr. Venu Myneni	31-Mar-98	Cash	850	100	100		
	31-Mar-00	Transfer	850	100	100		
	31-Mar-00	Transfer	(1,700)	100	100		
	4-Oct-04	Transfer	1	100	567		
	1-Jan-05	Transfer	2,849	100	611		
	1-Jan-05	Transfer	1	100	611		
	1-Jan-05	Transfer	(1)	100	611		
	Sub-total		2,850				
	6-Oct-06	Sub-division of Equity Shares	28,500	10	-	0.14%	1
	12-Oct-06	Bonus	484,500	10	-	2.37%	1
			688,923	10		3.37%	
	12-Jan-07	Transfer	1,134,834	10	10	5.55%	3
	23-Oct-07	Bonus	1,557,837	10	-	7.63%	3
	16-Apr-08	Share Swap#	114	10	-	0.00%	1
	Total (A)		3,894,708			19.06%	
Mr. Vinod Koduru	31-Mar-98	Cash	850	100	100		
	31-Mar-00	Transfer	(850)	100	100		
	1-Jan-05	Transfer	2,150	100	611		
	Sub-total		2,150				

	6-Oct-06	Sub-division of Equity Shares	21,500	10	-	0.11%	1
	12-Oct-06	Bonus	365,500	10	-	1.79%	1
	12-Jan-07	Transfer	519,714	10	10	2.54%	3
			856,103	10	10	4.19%	1
	23-Oct-07	Bonus	1,175,211	10	-	5.75%	3
	16-Apr-08	Share Swap#	86	10	-	0.00%	1
	Total (B)		2,938,114			14.38%	
Mr. C. Narayanacharyulu	10-Apr-07	Cash	100	10	10	0.00%	1
			44,248	10	10	0.22%	3
	30-Apr-07	Cash	105,752	10	10	0.52%	1
	23-Oct-07	Bonus	100,067	10	-	0.49%	3
	Total (C)		250,167			1.23%	
Grand Total (A+B+C)			7,082,989			34.67%	

Note: All the equity shares which are being locked in for three years are not ineligible for computation of promoters' contribution and lock in as per SEBI (DIP) Guidelines and are not pledged with any bank or financial institution.

* 20% of the Post-Issue Paid-up Equity Share Capital, as determined after the book-building process, would be locked-in for a period of three years from the date of allotment and the balance Pre-Issue Paid-up Equity Share Capital of 98,36,907 Equity Shares would be locked-in for a period of one year from the date of allotment. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present Issue.

Issued in lieu of Equity Shares of Radiant Systems, Inc. This share swap arrangement of 1:1 was certified as fair and proper, as per the share valuation report dated November 01, 2007, issued by Sobhagya Capital Options Limited, a SEBI registered Category I Merchant Banker (SEBI Regn No. INM000008571).

The details of the shares locked in for three years are given below:

Name of Promoter	Date of Allotment / Transfer and Made Fully Paid-up	Consideration	No. of Equity Shares Locked in	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid up Capital	Lock in Period (Years) *
Mr. Venu Myneni	12-Jan-07	Transfer	688,923	10	10	3.37%	3
	23-Oct-07	Bonus	1,557,837	10	-	7.63%	3
	Total (A)		2,246,760			11.00%	
Mr. Vinod Koduru	12-Jan-07	Transfer	519,714	10	10	2.54%	3
	23-Oct-07	Bonus	1,175,211	10	-	5.75%	3
	Total (B)		1,694,925			8.30%	
Mr. C. Narayanacharyulu	30-Apr-07	Cash	44,248	10	10	0.22%	3
	23-Oct-07	Bonus	100,067	10	-	0.49%	3

	Total (C)	144,315	0.71%
Grand Total (A+B+C)		4,086,000	20.00%

5. The specific written consent has been obtained from the Promoters for inclusion of such number of their existing shares to ensure minimum Promoter's contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Equity Share Capital.
6. The Equity Shares forming part of promoter's contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.
7. For the purpose of calculating Promoters' contribution, the same has been bought in the specified minimum lot of Rs. 25,000/- per application from each individual and from persons defined as Promoters under the SEBI Guidelines.
8. The Pre-Issue & Post-Issue shareholding pattern of our Promoter Group is as under:

Sr. No.	Particulars	Pre-Issue		Post-Issue*	
		No. of Shares @ Rs. 10/- each	% Holding	No. of Shares @ Rs. 10/- each	% Holding
a. Promoters					
	Mr. Venu Myneni	38,94,708	27.97%	38,94,708	19.06%
	Mr. Vinod Koduru	29,38,114	21.10%	29,38,114	14.38%
	Mr. C. Narayanacharyulu	2,50,167	1.80%	2,50,167	1.23%
b. Immediate Relatives of the Promoter					
	Mr. M. Srinivasa Rao	167	0.00%	167	0.00%
	Mr. K. Janardhan Reddy	167	0.00%	167	0.00%
	Ms. N. Vanajakshi	167	0.00%	167	0.00%
	Ms. Kavitha Reddy	167	0.00%	167	0.00%
c. Companies in which 10% or more of the share capital is held by the Promoter / an immediate relative of the Promoter / a firm or HUF in which the Promoter or any one or more of their immediate relatives is a member					
	Brightway Capital Limited	26,00,000	18.67%	26,00,000	12.73%
	Redcomet Capital Limited	12,00,000	8.62%	12,00,000	5.87%
d. Companies in which Company mentioned in c. above holds 10% or more of the share capital					
e. HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total					
f. All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as "Shareholding of the Promoter Group".					
	Total	1,08,83,657	78.17%	1,08,83,657	53.27%

9. Shareholding Pattern of our Company before and after the Issue is as under:

Category	Pre-Issue		Post-Issue*	
	No. of Shares	% Holding	No. of Shares	% Holding
Promoters	70,82,989	50.87%	70,82,989	34.67%
Promoter Group	38,00,668	27.30%	38,00,668	18.60%
Others	30,39,250	21.83%	30,39,250	14.88%
Issue to Public	--	--	65,07,093	31.85%
Total	1,39,22,907	100.00%	2,04,30,000	100.00%

10. The entire pre-issue Equity Share Capital of our Company, comprising of 98,36,907 Equity Shares, other than the minimum promoter's contribution, which is locked-in for a period of three years, shall be locked-in for a period of one year from the date of allotment in the present Public Issue.
11. The securities which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges, where the shares are to be listed, before the listing of the securities.
12. Except the issue of shares under share swap arrangement, during the past six months, there are no transactions in our Equity Shares, which have been undertaken / financed directly or indirectly by our Promoter, their Relatives and Associates, Persons in Promoter Group and our Directors.
13. Our Company has made the issue of Equity Shares during preceding one year, details of which are mentioned hereunder:

Sr. No.	Date of Issue	Name of the Persons	No. of Shares	Issue Price (In Rs.)	Whether Part of Promoter Group
a)	23-Oct-07	Mr. Venu Myneni	15,57,837	Bonus	Yes
b)	23-Oct-07	Mr. Vinod Koduru	11,75,211	Bonus	Yes
c)	23-Oct-07	Mr. C. Narayanacharyulu	1,00,067	Bonus	Yes
d)	23-Oct-07	Mr. M. Srinivasa Rao	67	Bonus	Yes
e)	23-Oct-07	Mr. K. Janardhan Reddy	67	Bonus	Yes
f)	23-Oct-07	Ms. N. Vanajakshi	67	Bonus	Yes
g)	23-Oct-07	Ms. Kavitha Reddy	67	Bonus	Yes
h)	12-Feb-08	Brightway Capital Limited	26,00,000	Swap	Yes
i)	12-Feb-08	Redcomet Capital Limited	12,00,000	Swap	Yes
j)	12-Feb-08	Skysim Limited	20,00,000	Swap	No
k)	12-Feb-08	Spiritise Limited	5,00,000	Swap	No
l)	12-Feb-08	TransArtica Co. Limited	5,00,000	Swap	No
m)	10-Mar-08	Mr. Arun Pareek	39,250	200	No
n)	16-Apr-08	Mr. Venu Myneni	114	Swap	Yes
o)	16-Apr-08	Mr. Vinod Koduru	86	Swap	Yes

14. The Equity Shares held by persons other than Promoter may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

The Equity Shares to be held by the Promoter under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, the Equity Shares held by Promoter, which are locked in, may be transferred to and among Promoter Group or to a new promoter(s) or persons in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

15. As on the date of filing of this Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares. The shares locked for 3 years by the Promoters are not pledged to any party/Bank/FI. The Promoters may pledge the Equity Shares with banks or Financial Institutions as additional security for loan whenever availed by them from banks/Financial Institutions, provided that pledge of shares is one of the terms of sanction of loan. However, securities which are locked in for 3 years as minimum promoters' contribution under clause 4.15, may be pledged, only if, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the Objects of the Issue.
16. Our Company, our Promoter, our Directors and the BRLMs to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Red Herring Prospectus.
17. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
18. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum application size in this issue.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue to Public, as a result of which, the post-issue paid up capital would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.

19. In case of over-subscription in all categories, atleast 50% of the Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further upto 15% of the Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
20. Under subscription, if any, in the Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLMs. In case of Under-subscription in the Qualified Institutional Buyers Portion (i.e. subscription less than 50% mandatory of the Issue), the same shall not be available to other categories and full subscription monies shall be refunded. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders.

21. As on date of filing of this Draft Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up. We confirm that there are no partly paid up Equity Shares.

22. Particulars of top ten shareholding is as follows:

a. As on the date of filing this Draft Red Herring Prospectus with SEBI

Sr. No.	Name of shareholder	No. of Shares	% of Issued Capital
1	Mr. Venu Myneni	38,94,708	27.97%
2	Mr. Vinod Koduru	29,38,114	21.10%
3	Brightway Capital Limited	26,00,000	18.67%
4	Skysim Limited	20,00,000	14.36%
5	Redcomet Capital Limited	12,00,000	8.62%
6	Spiritise Limited	5,00,000	3.59%
6	TransArtica Co. Limited	5,00,000	3.59%
7	Mr. C. Narayanacharyulu	2,50,167	1.80%
8	Mr. Arun Pareek	39,250	0.28%
9	Mr. M. Srinivasa Rao	167	0.00%
9	Mr. K. Janardhan Reddy	167	0.00%
9	Ms. N. Vanajakshi	167	0.00%
9	Ms. Kavitha Reddy	167	0.00%
	Total	1,39,22,907	100.00%

b. 10 days prior to the date of filing this Draft Red Herring Prospectus with SEBI

Sr. No.	Name of shareholder	No. of Shares	% of Issued Capital
1	Mr. Venu Myneni	38,94,708	27.97%
2	Mr. Vinod Koduru	29,38,114	21.10%
3	Brightway Capital Limited	26,00,000	18.67%
4	Skysim Limited	20,00,000	14.36%
5	Redcomet Capital Limited	12,00,000	8.62%
6	Spiritise Limited	5,00,000	3.59%
6	TransArtica Co. Limited	5,00,000	3.59%
7	Mr. C. Narayanacharyulu	2,50,167	1.80%
8	Mr. Arun Pareek	39,250	0.28%
9	Mr. M. Srinivasa Rao	167	0.00%
9	Mr. K. Janardhan Reddy	167	0.00%
9	Ms. N. Vanajakshi	167	0.00%
9	Ms. Kavitha Reddy	167	0.00%
	Total	1,39,22,907	100.00%

c. 2 years prior to the date of filing this Draft Red Herring Prospectus with SEBI

Sr. No.	Name of shareholder	No. of Shares	% of Issued Capital
1	Mr. Venu Myneni	2,850	57.00%
2	Mr. Vinod Koduru	2,150	43.00%
	Total	5,000	100.00%

* There were only two shareholders of our Company, two years prior to the date of filing the Draft Red Herring Prospectus with SEBI, The face value of equity shares at that time was Rs. 100 per equity share.

23. Our Company has not raised any bridge loan against the proceeds of this Issue.
24. Other than Pre-IPO placement, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.
25. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise. However, if we go in for acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
26. Our Company undertakes that at any given time, there shall be only one denomination for the Equity shares of our Company and our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
27. Since the entire money of Rs. [●]/- per share (Rs. 10/- face value + Rs. [●]/- premium) is being called on application, all the successful applicants will be issued fully paid-up shares only.
28. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
29. Our Company has not re-valued its assets since inception and has not issued any shares out of the revaluation reserves.
30. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
31. We have 13 members as on the date of filing of this Draft Red Herring Prospectus with SEBI.

SECTION - V

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. To finance the funds required for our potential acquisitions
2. To set up a Software Development Center at Gowribidanur Industrial Area, Bangalore
3. Additional Working Capital requirements
4. General Corporate Purposes
5. Meeting public Issue expenses

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE and NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Cost of Project & Means of Finance

The Cost of Project and Means of Finance as estimated by our management are given below:

Cost of Project

		(Rs. in Lacs)
Sr. No.	Particulars	Amount
A.	Proposed Acquisitions	4000.00
B.	Setting up of Software Development Center	4694.09
C.	Margin Money for Working Capital requirements	1628.25
D.	Public Issue Expenses	[•]
E.	General Corporate Purposes	[•]
Total		[•]

Means of Finance

		(Rs. in Lacs)
Sr. No.	Particulars	Amount
A.	Proceeds from Initial Public Offer	[•]
B.	Internal Accruals	[•]
Total		[•]

[•] - The relevant figure will be updated on finalization of the Issue Price.

Proceeds from the Initial Public Offer would be crystallized on finalization of the Issue Price on conclusion of the book building process. Any shortfall in the cost of the Project would be met out of internal accruals and/or debt. As per our standalone financials as on March 31, 2008, our internal accruals stood at Rs. 928.98 lacs.

In case the IPO does not go as planned, our Company will make alternative arrangements like availing of fresh loans from bank(s) and/or utilizing internal accruals. In case of excess funds remaining after deployment as per the Objects of the Issue, the same will be utilized for General Corporate Purposes, as detailed on page [●] of this Draft Red Herring Prospectus.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. Our plans are subject to a number of variables, including possible cost overruns; receipt of critical governmental approvals; and changes in management's views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in any other project and/or our Company's internal accrual, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions.

Brief Details about the Project

(A) Proposed Acquisitions

Our Company intends to raise funds for proposed Acquisitions. It is a key component of our strategy to grow through acquisitions and strategic partnerships. These initiatives will be governed by medium to long term goals and other business objectives. Accordingly, we intend to use a substantial part of the proceeds received from the Issue for strategic investments and acquisitions.

With the global meltdown precipitated by the US sub-prime, we believe valuations across the globe have taken a hit post January 2008, and thus is a favorable situation for companies like ours, which may be able to get a better foothold in US and UK at relatively cheap valuations. While we would always strive to get the best possible deal at the lowest valuations, we cannot assure that this situation shall prevail over the next 12 months, which is the timeframe we are looking at for closing the acquisition.

Going forward, we believe that strategic investments and acquisitions may act as an enabler to growing business and consolidate our position in the software industry in India and establish ourself as an IT & ITES solutions provider in India and the US. While this would be a component of our strategy, presently we do not have any legally binding commitments to enter into any such arrangements.

The business we are currently in is highly competitive and very dynamic. The technology advancements are almost a daily feature across the globe. The key to this dynamism is innovation in software and a major part of the software innovation is commonly initiated by the end users, rather than due to software innovation. In such a situation, the investment in the next generation of technology or framework begins when the previous technology solution is at its peak. We are confident that we can build these capabilities in an inorganic way by acquiring Companies / Businesses / Products, rather than in an organically slow and steady manner.

We intend to acquire Companies/Businesses/products which have the synergy and are complimentary to our technology domain. Primarily, we would target acquisition of companies /Businesses/products in the transportation/logistic segment providing niche technology expertise to worldwide businesses. We aim to expand our geography by synergizing with such global entities and further enhance our position as a player, enhance our capabilities and address gaps in the industry. Any specific acquisition opportunity will be considered based on actual value estimates at that time.

Following are the major benefits we intend to derive from the acquisitions:

1. Endeavor to be a complete solutions provider:

Currently we cater to different verticals and our products and services undergo evolution as per the customers' requirements from time to time. In our effort we have received queries from our existing clients as well as new customers to provide certain services or extension/modification of certain products and services, which we do not provide currently.

In this endeavor, we are targeting to acquire companies which shall match with our products and services and help us reach the next level in the value chain. There are always certain missing links, which the customers demand, and having identified those, we plan to target companies, which would fit into that role.

2. New technologies

Our proposed acquisition shall help us to be conversant with technologies that our employees have not worked on or are not very conversant with. This in turn shall help our existing team members to service our clients in a more efficient and effective manner, with updated knowledge of new technologies/products/services.

3. Localized knowledge of employees of the target company

Our proposed acquisition shall also help us to have a more localized knowledge about the requirements of the clients. This shall reduce the time for our team to get acclimatized to that particular geographical location. This also suits with our strategy of 'Globalizing Products and Localizing Solutions'.

4. Enhancing our geographical reach

Currently our Company is operating primarily in USA and India. One of our strategies is to expand our business reach to countries and regions where we do not have presence. In this context, we may possibly look to acquire a company which has a geographical presence, which is diverse from our current presence.

5. Sizeable presence to support our existing clients and addition of new clients

The proposed acquisition shall also help us with critical mass for taking our business operations to a next level. The proposed acquisition shall help us scale up the employee headcount and reduce our risk of being dependant on only a few key employees. Other obvious benefit includes addition of the target company's client list, where we can effectively leverage our relationship and offer our existing products to them without incurring the overheads usually required to service a first-instance client

As of the date of this Draft Red Herring Prospectus, we have not entered in to any letter of intent or definitive commitment for such acquisition/investment for which the funds are being raised. However, we would follow the below mentioned acquisition strategy for inorganic growth and the same would be consistently followed under the supervision of the Board of Directors. The broad practices which we intend to follow for potential acquisition are as under:

- (a) Identifying the target company
- (b) Entering into a Non-Disclosure Agreement with the Target Company

- (c) A preliminary analysis: Our Company goes through the information pertaining to the Target company, which is confidential and it includes its financials and information about its clientele
- (d) Broader terms of valuation are agreed upon subject to due-diligence. On the basis of this our Company enters into a Memorandum of Understanding (MOU) with the target Company and then starts the formal due-diligence, which may need hiring specialists and outside agency
- (e) On satisfactory conclusion of due diligence our company enters into definitive 'purchase agreement' with the target company and the legal formalities are complied.

Our Company would follow the above modalities for any acquisitions out of the proceeds of the Issue and have envisaged a requirement of Rs.4000 Lacs for the proposed acquisitions.

(B) Setting up of Software Development Center

With increasing opportunities for companies like ours, whose current business revenues are largely generated in the US, it is imperative for us to maintain a cost advantage over the bigger players in this sector. In this effort, our Company intends to set up a Software Development Center at Gowribidanur. The proposed facility, located at a distance of 80 kms from Bangalore, shall be well connected through Company provided transportation, as is the case with most IT companies.

The proposed facility shall be a Ground+3 storied structure, which shall have a capacity to house more than 1,500 employees, and shall house our teams for marketing, software development, technical support, data centers etc.

Sr. No.	Particulars	Rs. Lacs
1.	Land and land development	175.17
2.	Building, civil and electrical works	1,258.01
3.	Interior	760.00
4.	Office Equipment	2,277.38
5.	Contingencies (estimated at 5% of the above)	223.53
Total		4,694.09

B.1. Land details

Our Company for this purpose has been allotted additional land measuring 8 acres at a cost of Rs. 20 lacs per acre. The said land has been allotted to our Company by Karnataka Industrial Area Development Board vide its letter dated KIADB/DO-II/17/3374/2007-08 dated January 17, 2008. We hereby confirm that the vendor is not related to our Company, our promoters and our directors. We certify that the land purchased is free from any encumbrances.

The total cost for the site development would be around Rs. 15.17 lacs comprising of earth filling, levelling, boundary wall, landscaping etc.

Details	Unit	Rate per unit (Rs.)	Qty	Amount (Rs. Lacs)
Land Development				
Earthwork, excavation for foundation and drains	CFT	3.50	1,60,000	5.60
Earth Filling	CFT	2.00	65,000	1.30
Landscaping & Gardening				8.27
Total				15.17

B.2. Building and civil construction and electrical works

The building plan is for a G+3 storied structure with a Sewage Treatment plant, generator, ACP façade, Lifts and landscaped area. The ground floor shall have a built up area of 38,600 sq.ft and a typical floor has an area of 77,270 sq.ft.

Details	Unit	Qty	Rate per unit (Rs.)	Amount (Rs. lacs)
Building structure including				
- Plain Cement Concrete	CFT	51,980	58	30.15
- RCC	CFT	1,32,844	180	239.12
- Steel Reinforcement	KGS	3,91,800	55	215.49
Block Work (200 mm)	CFT	1,00,310	40	40.12
Block Work (115 mm)	SFT	26,800	35	9.38
Stone Work	CFT	41,950	55	23.07
Stone Work for superstructure	CFT	15,900	90	14.31
Plastering external	SFT	6,08,000	16	97.28
Plastering internal	SFT	1,23,600	15	18.54
Anti termite treatment	SFT	79,000	3.5	2.77
Aluminium work	SFT	51,200	150	76.80
Steel Work	SFT	27,630	125	34.54
Tiles Dado + Flooring	SFT	2,300	120	2.76
Tiles	SFT	10,290	75	8.37
Roofing Works	SFT	Various		28.99
Painting	SFT	2,80,900	2	5.62
Miscellaneous				7.59
- includes granite slabs, plinth protection, kitchen sinks, RCC water storage tanks				
Additional works				
- Shutters, sliding folding fixtures, Australian Honn, Sal Wood frames, tower hinges etc				129.70
Other				
- Sunken slabs	SFT	7,500	45	3.38
- Underground sump tank	Litres	10,00,000	4	40.00
Electrical Works	Lumpsum			156.84
Sanitary Works	Lumpsum			73.19
Total				1258.01

B.3. Interior works have been estimated @ Rs. 800/- per sq.ft for 95,000 sq.ft amounting to Rs.760 lacs.

The above estimates are based on quotation provided by Architect Studio, Architects & Interior Designers, vide their letter dated July 01, 2008.

B.4. Details of Office Equipment, including computers and servers, for which quotations have been received, but orders not placed are as under:

(A) For Software development Center - Internal use

Particulars	Make/Supplier	Rate	Qty	Amount	Quote
-------------	---------------	------	-----	--------	-------

		(Rs. lacs)		(Rs. lacs)	Date
Servers-Office	IBM/Redington	118.26	1	118.26	21/07/2008
Networking-Office	Cisco/Central Data Systems	17.17	1	17.17	09/07/2008
Desktops-Office	Lenovo/Chira Information	0.45	600	270.00	09/07/2008
Printers-Office	Hewlett Packard/Chira Information	0.20	15	3.00	09/07/2008
Printers-DN Network	Hewlett Packard/Chira Information	0.60	5	3.00	09/07/2008
UPS-Office (250 KVA)	Power One Micro Systems	35.35	1	35.35	21/03/2008
6 MBPS Internet Lease lines	Tata Communications	13.63	1	13.63	20/02/2008
Total (A)				460.41	

(B) For Proposed data centers

Particulars	Make/Supplier	Rate (Rs. lacs)	Qty	Amount (Rs. lacs)	Dated
Servers-DC	IBM/Redington	118.26	8	946.07	21/07/2008
Licensed Software-DC	IBM/Redington	70.00	8	560.00	21/07/2008
Networking-DC	Cisco/Central Data Systems	14.83	8	118.65	15/03/2008
UPS-DC (30 KVA*2)	Power One Micro Systems	10.40	8	83.20	19/07/2008
6 MBPS Internet Lease lines	Tata Communications	13.63	8	109.05	20/02/2008
Total (B)				1816.97	

We confirm that none of the above equipments are second hand in nature.

Note: The actual suppliers of above-mentioned equipment may differ while negotiating the prices for the respective equipment. Further, the specification of equipment may also differ considering the conditions prevailing at the time of placing the orders.

(C) Additional Working Capital requirements

We have existing banking relationships with sanctioned working capital limits as provided in the section 'Financial Information' on page [●] of this Draft Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing requirements. However, our Company will utilize a part of the proceeds of the Issue to fund additional future working capital requirements.

Considering the existing growth rate and the proposed expansion, the total working capital needs of our Company, as assessed based on the internal working of our Company is expected to reach Rs. 6513 lacs by fiscal 2009 out of which we propose to fund Rs. 1628.25 lacs through this Public Issue, details of which are mentioned hereunder:

(Rs. In Lacs)	
Particulars	FY 2009 Estimates
WIP/Unbilled revenues	3640.80
Debtors	5939.70

Other Current Assets	522.90
Total Current Assets	10103.40
Sundry Creditors	1363.30
Provisions	457.10
Total Current Liabilities	1820.40
Working Capital Gap	8283.00
Less: Bank Borrowings	1770.00
Net Working Capital Requirement	6513.00
Margin @ 25% proposed to be funded from IPO	1628.25
Assumption in Calculation of Working Capital-Holding periods in days	
Particulars	
Inventory/RM	6 days
Debtors	97 days
Sundry Creditors	173 days

(D) Public Issue Expenses

The expenses of this Issue include, among others, underwriting and issue management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expenses* (Rs. Lacs)	% of Issue Size	% of Issue expenses
Lead management, underwriting and selling commission	[•]	[•]	[•]
Advertisement and marketing expenses	[•]	[•]	[•]
IPO Grading expenses	[•]	[•]	[•]
Printing and stationery (including expenses on transportation of the material)	[•]	[•]	[•]
Others (Registrar's fees, legal fees, listing fees, etc.)	[•]	[•]	[•]
Total	[•]	[•]	[•]

* Will be incorporated after finalization of the Issue Price

(E) General Corporate Purposes

Our Company intends to deploy the balance Issue proceeds aggregating Rs. [•] Lacs, towards the general corporate purposes, including but not restricted to strategic initiatives, entering into strategic alliances, partnerships, joint ventures and acquisitions, meeting exigencies & contingencies, which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors.

Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds of the Issue, our management may explore a range of options which includes seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any

such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Details of use of proceeds and schedule of implementation

Issue proceeds after meeting public issue expenses and the Objects of the Issue will be utilized for general corporate purposes, as and when required. The servers/computers and other related equipment proposed to be acquired are ready to use and can be put in operation at any of the working sites after its procurement, and are readily available. The schedule related to Placement of Orders and procurement is given below

Activities	Month of Commencement	Month of Completion
Software Development center		
1. Land acquisition	Already allotted	
2. Building structure	September 2008	January 2009
3. Placement of Equipment	November 2008	January 2009
4. Installation/Ready to use	February 2009	February 2009

The proceeds of the Issue earmarked for acquisitions and funds available through this Issue as General Corporate purposes shall be used to fund our future acquisitions. We will use the above funds for our future acquisitions, as and when definitive agreements are signed. We have already commenced the process to identify possible acquisition targets and intend to close the deal before FY 2009.

In the event of any additional fund requirement for funding our future acquisitions, we will fund through other sources including internal accruals/cash surpluses available and/or debt.

Deployment of Funds in the Project

We have incurred the following expenditure on the project till July 14, 2008. The same has been certified by our statutory auditors M/s. P. Murali & Co., Chartered Accountants vide their certificate dated July 14, 2008.

Sr. No	Particulars	Amount
1)	Land at Gowrbidanur	37.56
2)	Registration charges	5.00
3)	Public Issue expenses	26.48
	Total	69.04

The above mentioned deployment has been financed out of the Internal Accruals

Details of balance fund deployment

(Rs. Lacs)

Sr. No	Particulars	Expenses incurred as on July 14, 2008	FY' 09	FY ' 10	Total
1	Acquisitions	--	2150.00	1850.00	4000.00
2	Software Development Centre	42.56	1433.18	3218.35	4694.09
3	Margin money for working capital	--	1628.25	--	1628.25
4	General Corporate Purpose	--	[•]	[•]	[•]
5	Public Issue Expenses	26.48	[•]	--	[•]
	Total	69.04	[•]	[•]	[•]

Interim Use of Funds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposit with banks for necessary duration, GILT edged securities and other AAA rated interest bearing securities as may be approved by the Board of Directors or a Committee thereof. We also intend to apply part of the proceeds of the issue, pending utilization for the purposes described above, to temporarily reduce our working capital borrowings from banks and financial institutions. Should we utilize the funds towards temporary reduction in utilization of short-term working capital facilities, we undertake that we would ensure consistent and timely availability of the issue proceeds so temporarily deposited in the working capital facilities to timely meet the fund requirement of the project.

Monitoring of Issue proceeds

Our Audit Committee will monitor the utilization of the Issue proceeds. We will disclose the utilization of the Issue proceeds under separate head in our balance sheet for the Fiscal 2009 and 2010 and provide all the details, if any in relation to all proceeds of the Issue that have not been utilized thereby, also indicating investments, if any of such unutilized proceeds of the issue.

This information shall also be disclosed as per the disclosure requirements of the Listing Agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement. Further, on an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full money raised through the Issue has been fully spent. The statement shall be certified by the Statutory Auditors. Further, our Company will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of Issue Proceeds from the Objects stated in this Draft Red Herring Prospectus. Pursuant to Clause 49 of the listing agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the proceeds of the Fresh Issue. We will disclose the utilization of the proceeds of the Fresh Issue under a separate head in our balance sheet till such time the proceeds of the Fresh Issue have been utilized, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the proceeds of the Fresh Issue have been utilized, provide details, if any, in relation to all such proceeds of the Fresh Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Fresh Issue.

No part of the proceeds of this issue will be paid as consideration to our Promoters, Directors, key managerial employees or group companies/companies promoted by our promoters.

BASIC TERMS OF THE ISSUE

Terms of the Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Terms of Payment

Applications should be for a minimum of [●] equity shares and in multiples of [●] equity shares thereafter. The entire price of the equity shares of Rs. [●]/- per share (Rs. 10/- face value + Rs. [●]/- premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Red Herring Prospectus at a price of Rs. [●]/- per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of [●] Equity Shares to the successful bidders.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the Public including devolvment of the Underwriters within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act 1956.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the equity shares offered by way of book building.

Investors should read the following summary with the section titled “Risk Factors” beginning on page [•] and the details about our Company and its financial statements included in this Draft Red Herring Prospectus on page [•] & [•] respectively, The trading price of the equity shares of our Company could decline due to these risks and you may lose all or part of your investments.

Qualitative Factors:

1. Quality Standards

We are an ISO 9001:2000 certified company for Quality Management Systems for the customized software application development. We focus on Quality throughout our processes. We, as a policy, develop and market our products and solutions which comply with the customers need and design specifications. It is our aim to respond with the ever changing needs of the clients in the most cost effective way.

2. Range of product offerings

Our competencies in technologies help us to develop innovative products for our clients in Logistics & Transportation, BFSI, Pharma & Healthcare, Telecom, E-Governance and RFID verticals. Our wide range of products and services in these business verticals have earned us a broad client base and provides us with sustainability to overcome volatile situations that a particular industry might face.

3. Broad Range of IT Services

We have developed a comprehensive range of service offerings in order to address the varied and expanding requirements of our clients. With development centers in India and the US, we offer IT strategic consulting, application development, data warehousing and business intelligence, application maintenance, package implementation, product engineering, testing, and infrastructure management services to our customers. We believe that our comprehensive range of offerings help our clients achieve their business objectives and enable us to obtain additional business from existing clients as well as address a larger base of potential new clients.

4. Strong management team

Our Company's top management comprises of qualified industry personnel each with approximately over 20 years of experience. Our management team has experience with diverse background and geographies with different areas of specialization within the IT industry. Before co-founding Radiant Info Systems, our Promoters have worked with various IT companies.

5. Cost-effective solutions

We offer a combination of technical teams coupled with domain expertise in verticals like Logistics & Transportation, BFSI, Pharma & Healthcare, Telecom, E-Governance and RFID. We also adopt a unique model of collaborative Onsite-Offshore Development, wherein, there is a small team working at the client locations and a larger team working at Radiant's Bangalore Office, resulting in cost saving for our clients.

Quantitative Factors

1. Adjusted Earnings Per Share

Particulars	EPS (Rs)	Weights
2005-2006	10.59	1
2006-2007	6.02	2
2007-2008	1.62	3
Weighted Average EPS	7.57	

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●]/- per share

▪ Based on 2007-08 EPS of Rs.10.59	[●]
▪ Based on weighted average EPS of Rs. 7.57	[●]

Industry P/E	
i. Highest - Saksoft Limited	55.70
ii. Lowest - Nexsoft Infotel	1.00
iii. Average (Computers - Software - Medium -Small)	11.00

Source: Capital Market, VolumeXXIII/ 10, July 14, 2008 - July 27, 2008

3. Return on Net Worth

Particulars	RONW (%)	Weights
2005 - 2006	36.83	1
2006 - 2007	40.79	2
2007 - 2008	37.23	3
Weighted Average RONW	38.35	

4. Minimum Return on Net Worth needed after the Issue to maintain pre-Issue EPS of Rs. 10.59 is [●] %.

5. Net Asset Value (Rs.)

a) As on March 31, 2008	16.31
b) After Issue	[●]
c) Issue Price	[●]

6. Comparison of Accounting Ratios with Peer Group Companies

Particulars	EPS (Rs.)	P/E Ratio	RONW (%)	NAV (Rs.)
Aztecsoft	3.50	21.30	25.20	38.20
Blue Star Info	5.00	10.90	13.00	62.00
Core Projects & Technologies Limited	5.30	34.00	21.50	38.80
R Systems Limited	16.70	14.80	16.00	118.90
Sonata Software	3.30	7.80	19.40	18.90

Particulars	EPS (Rs.)	P/E Ratio	RONW (%)	NAV (Rs.)
Radiant Info Systems Limited (2007-2008)	10.59	--	37.23	28.44

Source: Capital Market, VolumeXXIII/ 10, July 14, 2008 - July 27, 2008

7. The face value of our shares is Rs.10/- per share and the Issue Price of Rs. [●]/- is [●] times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.
8. The BRLMs believes that the Issue Price of Rs. [●]/- per share is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Draft Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Radiant Info Systems Limited
No.2227/1, 9th Main,
Banashankari II Stage,
Bangalore - 560 070.

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to **Radiant Info Systems Limited** and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The Conditions prescribed for availing the benefits have been / would be met with.
- The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business and operations of the Company.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any person in respect of this assignment.

For P. Murali & Co.
Chartered Accountants

M.V.Joshi
Partner
Membership No. 24784

Place: Hyderabad
Date: 12-07-2008

SPECIAL BENEFITS

A) TO THE COMPANY UNDER INCOME TAX ACT, 1961.

- 1) Under the provisions of Section 10A of the Act, a Company which is engaged in the business of Export of articles or things or Computer Software and which satisfies the prescribed conditions is eligible to claim a benefit with respect to profits derived by its undertaking/s from the export of articles or things or Computer Software for a period of ten consecutive assessment years, beginning with the assessment year relevant to the previous year in which the undertaking/s begin to manufacture or produce such articles or things or computer software. The eligible deduction would be the amount, which bears to the profits of the undertaking/s the same proportion as the export turnover of the undertakings bears to the total turnover of the undertaking/s. Profits on domestic turnover would get taxed. The benefit is available subject to fulfillment of conditions prescribed by the section and no deduction under this Section shall be allowed to any assessee with respect to any such undertaking for the assessment year beginning on the 1st day of April 2011 and subsequent years.

GENERAL BENEFITS

A) TO THE COMPANY UNDER INCOME TAX ACT, 1961:

- 1) Under Section 32 of the Income Tax Act, the Company is entitled to claim depreciation on tangible and intangible assets as well as unabsorbed depreciation brought forward as explained in the said section. In the case of any new machinery or plant (other than ships and aircraft), which has been acquired and installed after the 31st day of March, 2005, by an assessee engaged in the business of manufacture or production of any article or thing, a further sum equal to twenty per cent of the actual cost of such machinery or plant shall be allowed as deduction under clause (ii).
- 2) In items of section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by domestic companies) received on the shares of any company is exempted from the tax.
- 3) As per section 10(35) of the Act, the following income shall be exempt in the hand of the Company.
 - a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10 ;or
 - b) Income received in respect of the units from the Administrator of the Specified undertaking ;or
 - c) Income received in respect of units from the specified Company.

However, this exemption does not apply to any income arising from the transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (1) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.

- 4) As per section 10(38) of the Act, long term capital gains arising to the company from the transfer of a long term capital asset being a equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transactions tax would not liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund “means a fund.

- a) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
 - b) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act
- 5) As per section 115JB, the company will not be able to reduce the income to which the Provisions of the section 10(38) of the Act apply while calculating “book profits” under Provisions of section 115JB of the Act and will be required to pay the Minimum Alternate Tax @ 11.33% (including a surcharge of 10% and education cess of 3% on the overall tax) of the book profits determined.
- 6) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued on or after April, 2006 by:
- a) National Highway Authority of India constituted under section 3 of The National highway Authority of India Act,1988:
 - b) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956
- 7) Under section 112 of the Act and other relevant provisions of the Act, long term capital gains (i.e. if the shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of investment in Shares, shall be taxed at a rate of 20%(plus applicable surcharge & cess) after indexation as provided in the second provision to section 48. The amount of such tax should, however, be limited to 10% (plus applicable surcharge & cess) without indexation, at the option of the shareholder.
- 8) Under section 111A of the Act and other relevant provisions of the Act, short term capital gains (i.e., of the shares listed in a recognized stock exchange, shall be taxed at a rate of 15% (plus applicable surcharge & cess) in cases where securities transaction tax has been paid.

B) BENEFITS TO THE SHAREHOLDERS OF THE COMPANY- UNDER THE INCOME TAX ACT, 1961.

Resident shareholders

- 1) In terms of section 10(23D) of the Income Tax Act, all mutual funds setup by public sector bank or public financial institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, Subject to the conditions specified therein are eligible for exemption from Income Tax on all their income, including income from investments in shares of the Company
- 2) Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) read with section 115-O of the Income Tax Act. The amount referred to in sub - section (1) shall be reduced by the amount of dividend if any, received by the domestic company during the financial year, if

- Such dividend is received from its subsidiary,
 - The subsidiary has paid tax under this section on such dividend and
 - The domestic company is not a subsidiary of any other company.
- 3) As per provisions of clause (xv) in subsection (1) of section 36 of the Income tax Act 1961 so as to provide that an amount of securities transaction tax paid by the assessee during the previous year in respect of taxable securities transaction entered into in the course of their business during the previous year shall be allowed as deduction if the income arising from such taxable security transaction is included in the income computed under the head Profit and Gains in Business or Profession. But U/S 88E Rebate on Securities transaction tax will not be allowed.
 - 4) In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by domestic companies) received on the shares of any company is exempted from the tax.
 - 5) As per section 10(38) of the Act, long term capital gains arising to the shareholder from the transfer of a long term capital asset being an equity share in a Company or a unit of an equity oriented fund where such transaction is chargeable to securities transactions tax would not be liable to tax in the hands of the shareholder.

For this purpose, "Equity Oriented Fund" means a fund

- a) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
 - b) Which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the Act
- 6) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under Section 10(38) of the Act) arising on transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued on or after April 1, 2006 by;
 - a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - b) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
 - 7) Under section 54 of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from Capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
 - 8) Under section 112 of the Act and other relevant provisions of the Act, long term capital gains (i.e. if the shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of investment in shares, shall be taxed at a rate of 20% (plus applicable surcharge & cess) after indexation as provided in the second provision to section 48. The amount of such tax should, however, be limited to 10% (plus applicable surcharge & cess) without indexation, at the option of the shareholder.
 - 9) Under section 111A of the Act and other relevant provisions of the Act, short term capital gains (i.e., of the shares listed in a recognized stock exchange, shall be taxed at a rate of

15% (plus applicable surcharge & cess) in cases where securities transaction tax has been paid.

Non-Resident Indians/Non-Resident shareholders (Other than FIIs and Foreign Venture Capital Investors)

- 1) In terms of section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempted from the tax.
- 2) As per section 10(38) of the Act, long term capital gains arising to the share holder from the transfer of a long term capital asset being a equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transactions tax would not liable to tax in the hands of the share holder.

For this purpose, “Equity Oriented Fund” means a fund

- a) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
 - b) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act
- 3) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued on or after April 1, 2006 by:
 - (a) National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988:
 - (b) Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956.
- 4) Under section 54F of the Act, long-term capital gains in cases not covered under Section 10(38) of the Act arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from Capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- 5) Under section 115-I of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIII A of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows :
- 6) As per section 115E of the Act, where shares in the company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
- 7) As per section 115F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from Income tax, if

the net consideration is reinvested in specified assets within six months of the date of the transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount to exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

- 8) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- 9) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the Assessment Year in which he is first assessable as Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- 10) Under section 111A of the Act and other relevant provisions of the Act, short term capital gains (i.e., of the shares listed in a recognized stock exchange, shall be taxed at a rate of 15% (plus applicable surcharge & cess) in cases where securities transaction tax has been paid
- 11) The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the Non-Resident.

Foreign Institutional Investors (FIIs)

- 1) In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by domestic companies) received on the shares of any company is exempted from the tax.
- 2) As per section 10(38) of the Act, long term capital gains arising to the FIIs from the transfer of a long term capital asset being a equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transactions tax would not liable to tax in the hands of the FIIs.

For this purpose, "Equity Oriented Fund" means a fund

- a) where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
 - b) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act
- 3) As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of Income	Rate of Tax
Long Term Capital Gains	10%
Short term capital gains (other than referred to section IIIA)	30%

The above rates have to be increased by the applicable surcharge and education cess. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

- 4) Under section 54EC of the Act and subject to the conditions and to the extent 'specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued on or after April 1, 2006 by;
 - a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988:
 - b) Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956.
- 5) The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

Venture Capital Companies/Funds

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend from income from sale of shares of the Company.

Mutual Funds

In terms of section 10(23D) of the Act, any income of the Mutual Funds registered under Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and the Mutual Funds authorized by the Reserve Bank of India would be exempt from Income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

C) BENEFITS TO THE MEMBERS OF THE COMPANY UNDER WEALTH TAX ACT

Shares of Company held by the shareholder will not be treated as an asset within the meaning of section 2(e)(a) of Wealth Tax 1957, hence shares are not liable to Wealth Tax Act, 1957.

D) BENEFITS TO MEMBERS OF THE COMPANY UNDER GIFT TAX ACT, 1958

Gifts made after 1st October 1998 is not liable for any gift tax and hence gift of shares of the Company would be liable for gift tax.

The above statement of Possible Tax Benefits sets out the Provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax Consequences of the Purchase, ownership and disposal of shares.

Notes:

- I All the above benefits are as per the current tax laws.

- II The stated benefits will be available only to the sole/first named holder in case of joint holder of shares.
- III In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his /her investments in the shares of the company.
- IV The content of this annexure is based on information, explanations and representations obtained from the Company and on the basis of our undertaking of the business activities and operations of the Company.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to Radiant info systems Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating this assignment, as finally judicially determined to have resulted primarily from bad faith or international misconduct. We will not be liable to any other person in respect of this assignment.

SECTION VI - ABOUT US

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI DIP Guidelines, the discussion on the business of Our Company in this Draft Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on Our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Draft Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Draft Red Herring Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web.

The information in this section is derived from various government/Industry Association publications and other sources. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

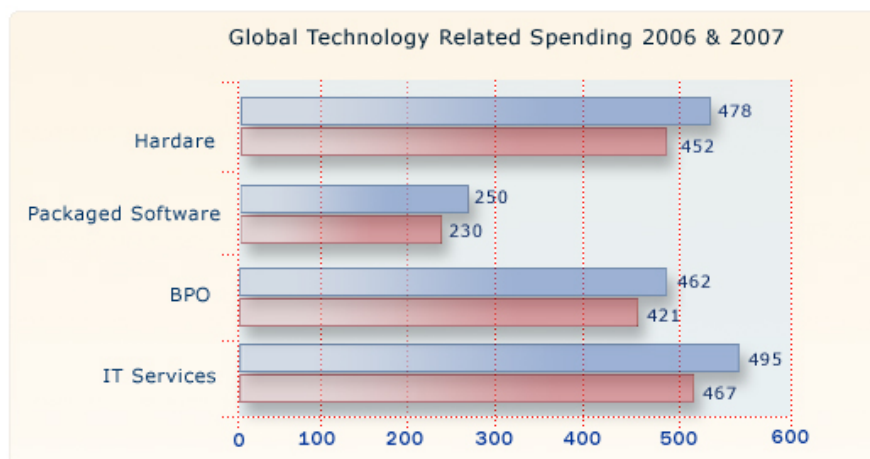
Worldwide Information Technology Industry

Past decade and half is the most opportunistic period for Information Technology service providers in countries like India, which is the result of an irreversible globalization. In the coming decade considerable changes are expected within the market due to an upward shift in the business process efficiencies and companies excelling in this will stand out in the industry.

The global IT services market includes multiple segments such as IT outsourcing, Project based services and Support and Training.

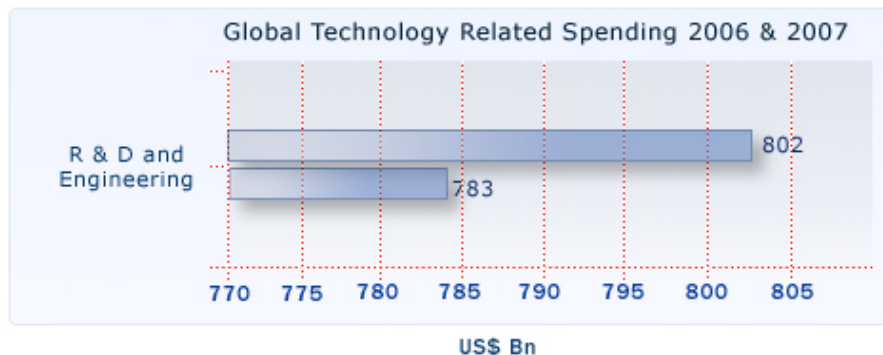
Global Technology related spending

Global Technology related spending remained strong in 2007 and estimated to grow across categories at an average of 7.3 percent according to the NASSCOM strategic review 2008.



Source: NASSCOM, Strategic Review 2008

(US\$ Billion)



2007 was a year of continued growth for the technology and related services sector, with the worldwide spending aggregate estimated to reach nearly US\$ 1.7 trillion, a growth of 7.3% over the previous year. Software and services continue to lead, accounting for US\$ 1.2 trillion - Over 71% of the total spend. Hardware spends, at US\$ 478 billion, accounted for over 28% of the worldwide technology spending aggregate in 2007. Underlying the sustained growth were a range of economic, regulatory and demographic drivers - including a continued emphasis on trimming operational costs, dealing with increasing compliance and regulatory requirements, remaining price competitive, transforming into a global services oriented business model and addressing challenges of rising skill shortages, across several developed markets.

All the IT segments have witnessed tremendous growth between 2002 to 2007 and the trend is expected to continue.

Increased emphasis on innovation-led growth is adding to the growth in technology related spending. IT-enablement and automation are now well recognized as effective means of streamlining business processes and increasing productivity, reducing time-to-market and thereby increasing the returns on innovation investment.

Hardware spending is estimated to have grown by 5.9% in 2007, from US\$ 452 billion in 2006 to nearly US\$ 478 billion in 2007. While North America alone accounts for more than 30% of the market, Western Europe is a close second at about 27%. These markets are estimated to have grown by 3.9% and 4.2%, respectively in 2007.

Provided below are the projected global revenues in various segments of technology and related services for the next four years.

Worldwide Technology Related Spend 2006-11 (US\$ Million)

	2006	2007	2008	2009	2010	2011
Worldwide Services Total	887,675	956,902	1,033,205	1,116,402	1,204,421	1,296,638
Worldwide Software Total	230,421	250,081	270,750	292,781	315,540	339,138
Worldwide Hardware Total	451,791	478,331	505,804	531,128	556,425	581,298
Worldwide Engineering Spend	783,106	802,346	822,058	842,254	862,947	884,148

Worldwide IT Services Spend 2006-11 (US\$ Million)

	2006	2007	2008	2009	2010	2011
Project based	160,395	169,888	179,554	189,709	200,459	211,044
Outsourcing	170,013	182,646	196,414	210,928	226,147	241,706
Support and Training	136,607	142,613	148,821	154,936	161,075	166,729

Source: NASSCOM, Strategic Review 2008

Worldwide Offshore IT Services Spend 2006-11 (US\$ Million)

	2006	2007	2008	2009	2010	2011
Application Management	1,379	1,714	2,124	2,619	3,155	3,698
Custom Application Development	3,284	3,675	4,061	4,432	4,757	5,011
IT Consulting	746	813	906	1,026	1,182	1,363
Is Outsourcing and Network and Desktop Outsourcing	575	789	1,148	1,720	2,559	3,705
Systems Integration	2,759	3,325	4,005	4,746	5,491	6,151
Other	4,327	5,179	6,025	6,862	7,697	8,394
Total	13,070	15,495	18,269	21,405	24,841	28,322

Source NASSCOM, Strategic Review 2008

Worldwide Software Spend 2006-11 (US\$ Million)

	2006	2007	2008	2009	2010	2011
Application Development and Deployment Software	50,824	55,421	60,241	65,471	71,175	77,009
Application Software	109,604	117,668	126,163	135,208	144,556	154,378
System Infrastructure Software	69,993	76,992	84,346	92,103	99,808	107,751
Total	230,421	250,081	270,750	292,782	315,539	339,138

Source NASSCOM, Strategic Review 2008

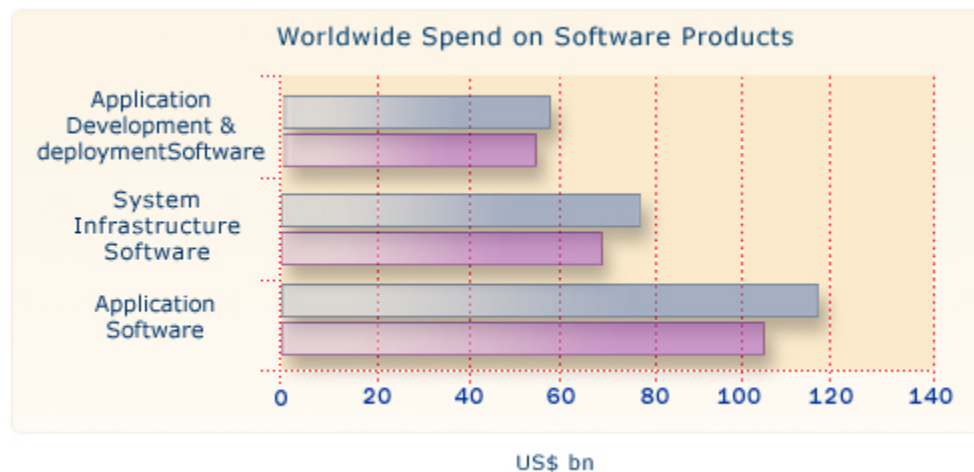
In the emerging markets, economic growth and the associated dynamics in business and public sector investments are driving rapid increases in technology spends. As most of these markets also lie in the early stages of IT adoption, a large part of their IT investments are actually directed towards building hardware infrastructure. (As compared to the Software and Services led spending profile in the developed markets).

Consequently growth rates in hardware spends, in key emerging economies (For instance, the BRIC Countries) are about three times those in the developed markets.

Economic growth in the central Europe, Middle East and Africa region in 2007 was supported by strong commodity prices. While the region is not a very significant contributor to the worldwide technology spending aggregate, focused efforts to develop the telecommunication sectors in several countries in the region and growing interest in leveraging the region as an IT-BPO service delivery base for the Western European markets, is driving steady growth in technology spends in most countries. (Source: NASSCOM, Strategic Review 2007)

Although still a relatively smaller contributor to the overall tech spending pie, the ‘emerging markets’, comprising several economies in the Asia Pacific and Latin America regions, are witnessing significantly high level of economic growth - driven by steady growth in domestic demand and their integration with the global economy. (Source: NASSCOM, Strategic Review 2007)

Worldwide spend on Software products estimated to grow by 8.5%. This growth is observed in platform independent Software.



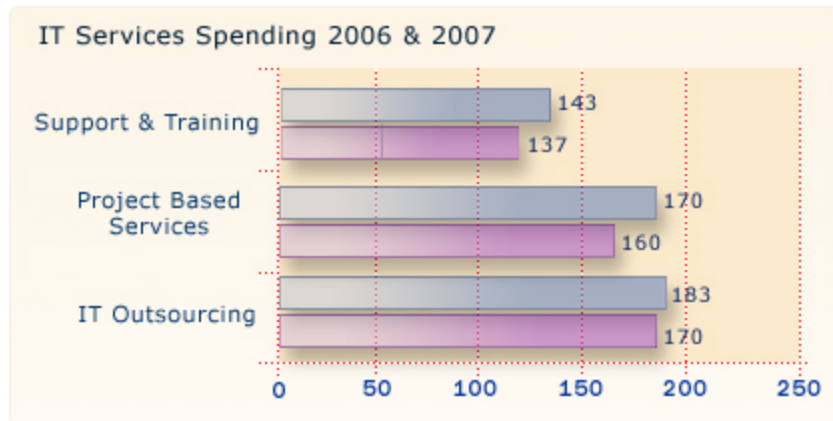
Source: NASSCOM, Strategic Review 2008

Software is rapidly gaining mindshare amongst users due to the growing need to manage, archive, understand and disseminate exponentially increasing amounts of information in an increasingly efficient manner. Application software is the largest segment of this market, accounting for 47% and consisting of both business and consumer application.

System Infrastructure Software is the fastest growing segment, estimated to have grown by 10% in 2007. Key drivers of growth in this segment are the increased focus on enterprise security and storage.

Application development and deployment software spends also grew by over 9% in 2007.

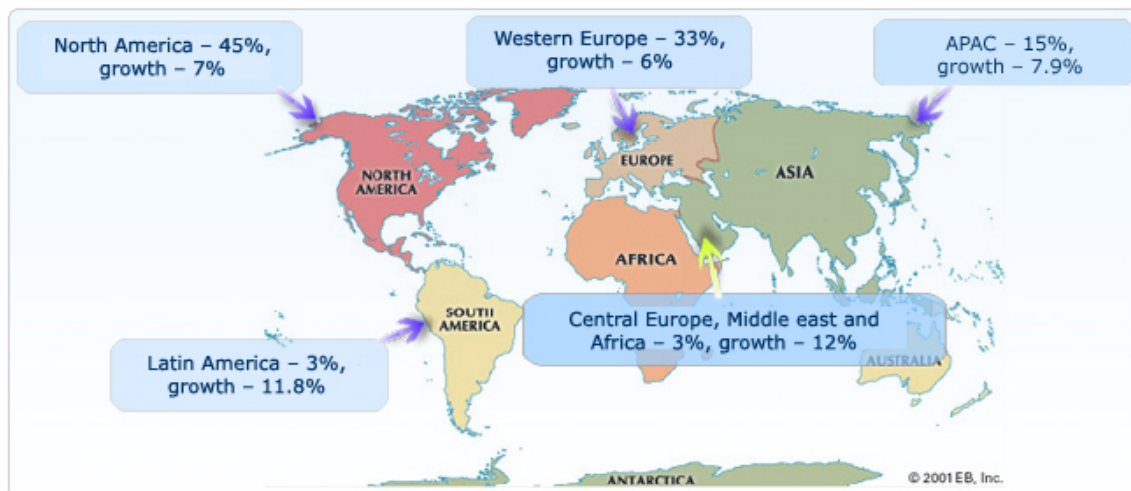
IT Services, accounting for nearly a third of the total, form the largest segment of the worldwide spend on technology products and related services. Total spend on IT services in 2007 was estimated at over US\$ 495 billion. Outsourcing was the largest and fastest growing category of IT services spending in 2007, estimated at over US\$ 183 billion. (Nearly 37% of the total IT services spend). Revenue from Project based IT services were estimated at US\$ 170 billion in 2007, a growth of 5.9% over 2006. Support and training services revenues in 2007 were estimated at nearly US\$ 143 billion, a growth of 4.4% over the previous year.



Source: NASSCOM, Strategic Review 2008

IT Services form the largest segment of the world spend on technology products and related services. Total spend on IT services was estimated at US\$ 528 billion, a growth of 5.9%.

Regional trends in IT Services spends



Source: NASSCOM, Strategic Review 2008

North America and Western Europe, together accounts for over 80% of the worldwide IT services spends. The macro-economic and business dynamics in these regions plays a dominant role in defining regional patterns and trends.

Growth in IT services spends in key emerging markets such as India and China is about twice the regional average estimated at 20% and 19% respectively. Other markets like Brazil, Russia and several other countries in the CEMA region are also witnessing accelerated IT adoption. This growth is attributed to corporate tax law and exchange rate changes, driven by faster uptake of new architectural services, new infrastructural services and larger investment in enterprise solutions like ERP and custom application services.

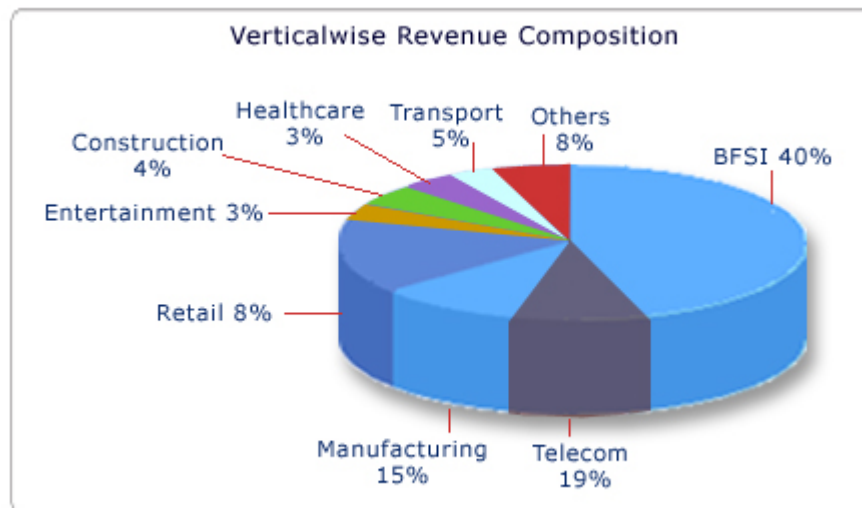
Global IT-BPO Offshore Market

Even as global delivery assumes a more distributed pattern, India remains the anchor location accounting for 58% market share in off-shore IT-BPO. Strong growth reported by the 'Indian multinationals' as well as the continued emphasis on building India-based delivery capabilities are the reasons for this. It is estimated that India-based resources account for about 60-70% of the offshore delivery capacities available across the leading multinational IT-BPO players. Reports indicate that about three-fourths of the Fortune 500 and at least half of the Global 2000 corporations are already sourcing technology services from India.



Source: NASSCOM, Strategic Review 2007

Banking, Financial and Insurance remain the leading vertical markets for Indian IT-ITES, followed by Telecom. These sectors accounted for nearly 60% of the Indian IT-ITES exports



Source: NASSCOM, Strategic Review 2008

Domestic IT spending

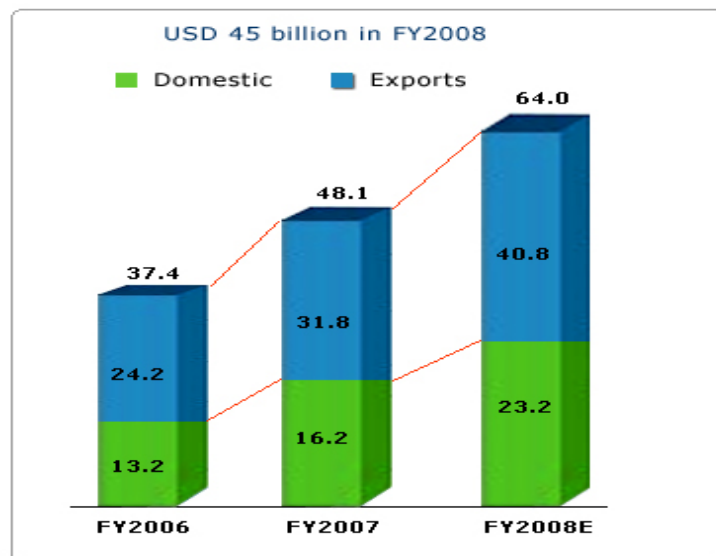
The liberalization of Indian economic policy, de-regulation of key sectors and progressive moves towards further integrating India with the global economy has been a key driver of increased IT adoption in the country. This is best reflected in the fact that most indigenous players in telecom and banking, two key sectors with significant multinational corporation (MNC) participation, have significantly upgraded their levels of IT adoption to offer best-in-class services comparable to those offered by the global competition and these two sectors together account for approximately 35-40 percent of the domestic spend on IT services.

Similar competitive pressures in other more recently deregulated service sectors such as airlines and insurance, and the uptake in the manufacturing and industrial sectors; and the several large e-governance initiatives launched by the government under the National E-Governance Plan (NEGP) are expected to provide sustained growth in domestic demand for IT services over the next few years.

India's domestic IT-BPO market is expected to cross US\$ 23 billion in 2008 and a healthy growth is expected across all segments.



Source: NASSCOM, Strategic Review 2008



Source: NASSCOM, Strategic Review 2008

The Indian technology and related services sector is expected to reach US\$ 64 billion in FY 2008, a growth of 33% in the current fiscal year. This continued growth, amidst concerns about the sector's sensitivity to an impending slowdown in the US economy and supply-side challenges, revalidates the strong fundamentals of the Indian IT-BPO growth. Exports, accounting for 64% of the overall Indian IT-BPO revenue aggregate, are growing at 29% and are expected to reach US\$ 40.8 billion in FY 2008.

Services and Software account for over 98% of the export total, led by IT services (57%), BPO (27%), engineering services and software product licensing / development (15%). Revenues earned from export of hardware, primarily comprising peripherals and hardware components, are estimated at about US\$ 500 million (1% of the export total)

BFSI, Manufacturing, Telecom and the Government are the key vertical markets driving growth in domestic IT spending across categories.

Provided below are the projected Indian revenues in various segments of technology and related services for the year 2008.

Indian IT-BPO (Domestic + Export) Revenues FY2005-2008E (US\$ Million)

	2004-05		2005-06		2006-07		2007-08E	
	Export	Domestic	Export	Domestic	Export	Domestic	Export	Domestic
IT Services	9,970	3,508	13,305	4,477	18,010	5,531	23,050	7,890
BPO	4,600	600	6,300	914	8,410	1,100	10,930	1,576
Software Products and Engineering Services	3,140	722	4,000	1,329	4,940	1,600	6,300	2,234
Hardware	547	5,189	584	6,500	477	8,000	500	11,497
Total	18,257	10,019	24,189	13,220	31,837	16,231	40,780	23,197

Source: NASSCOM, Strategic Review 2008

Indian IT Services Export Revenue FY 2005-2008E (US\$ Million)

	2004-05	2005-06	2006-07	2007-08E
Project Oriented	5,580	7,708	9,860	11,930
Outsourcing	3,290	4,563	6,620	9,250
Support and Training	1,100	1,233	1,530	1,870
Total	9,970	13,504	18,010	23,050

Indian IT-BPO Domestic Revenues FY2005-2008E (US\$ Million)

	2004-05	2005-06	2006-07	2007-08E
Project Oriented	1,166	2,483	3,076	4,417
Outsourcing	509	865	1,033	1,426
Support and Training	333	230	222	279
In-house/Captives IT	920	900	1,200	1,764
Others	581	NA	NA	NA
Total IT Services	3,509	4,478	5,531	7,886
Domestic BPO	600	914	1,102	1,576

Source: NASSCOM, Strategic Review 2008

BFSI (Banking, Financial Services and Insurance)

BFSI sector continues to dominate the IT spend in India. It accounts for 40.4% of the total IT spend and is expected to continue the trend. The estimated Indian market size for BFSI sector for the year 2008 is approximately US\$ 25.6 Billion, according to a NASSCOM report.

Information Technology in BFSI was not a widely discussed issue until the financial reforms that were initiated in the early 90s and the globalization and liberalization measures brought in a completely new operating environment to the banks that were till then operating in a highly protected milieu. The reforms in the 1990s, which led to expansion, consolidation and liberalization of the banking and financial sector in India, brought in many changes and challenges. A number of private and foreign players, such as Citibank entered the Indian market with superior technologies that helped them service their customers efficiently through multiple channels such as ATMs and online banking.

Telecom

The second largest IT spend happens in India in the telecom sector accounting for 19.10% of the total IT spend in India. Year 2007 registered revenue of US\$ 12.2 billion approximately.

E-Governance

Global shifts towards increased deployment of IT by governments emerged in the nineties, with the advent of the World Wide Web. What this powerful means to publish multimedia, support hyperlinked information and interactive information meant was a clearer avenue for Government to Consumer interactions and the promise of the attainment of the goals of good governance.

India's spending on e-governance is up 30% Year-On-Year and is expected to touch Rs. 10,000 Crore by 2009. *(Source - EFY News Network, Consultancy firm)*

India's e-governance market spend was Rs 5200 crore during the year 2007, a growth of 30 per cent from Rs 4000 crore during 2006. This figure is estimated to jump 35 per cent during the next year. And, this growth will be driven by projects like Common Services Centre of the department of information technology that attempt at reaching government services to every nook and corner of the country. *(Source - Skoch Consultancy Services)*

Origins of E-Governance

In India E-governance originated during the seventies with a focus on in-house government applications in the areas of defense, economic monitoring, planning and the deployment of Information & Communication Technology to manage data intensive functions related to elections, census, tax administration etc. The efforts of the National Informatics Center (NIC) to connect all the district headquarters during the eighties was a watershed. From the early nineties, e-governance has seen the use of IT for wider sectoral applications with policy emphasis on reaching out to rural areas and taking in greater inputs from NGOs and private sector as well.

INDIA & APAC

RFID, SMARTCARD AND BIO METRIC CARD

Radio Frequency Identification (RFID) technology is no longer only about US. Various government initiatives led an explosive growth in this particular sector in India in the coming years. The estimated market size in India is anywhere between US\$ 50-60 million and is said to growing at 30% per annum. Worldwide RFID spend is expected to surpass US\$ 3 billion in 2010.

RFID tags are expected to be used for data collection in largely chaotic or unstructured business processes like retail environments to hospitals.

While China leads the world in overall growth in many identification markets, the percentage growth leaders continue to be found in other parts of Asia, including India. Over the coming years India can be expected to be a significant engine of global growth in ID with both industry and government implementing medium and large-scale smart card projects

New analysis from Frost & Sullivan (smartcards.frost.com), APAC Integrated Smart Cards and Biometrics Markets, finds that the market earned \$249.1 million in 2007 and is expected to reach \$822.2 million by 2013.

The market has already bagged numerous and significant projects such as the national ID and e-passport programs. National ID projects are the most active revenue generators for the market, since all governments in the Asia Pacific are looking at implementing biometrics along with smart cards.

Smart card usage in the Indian market is slated to shoot up, thanks to the booming domestic mobile telephony market and the paradigm shift in the Government's documentation process, says a recent study by Frost & Sullivan. According to the study, 'Indian Smart Cards Market', the total market for smart cards was estimated at \$44.7 million, during 2005-2006. The market is forecast to reach \$148.7 million by 2010-11, thus registering a CAGR of 22.7 per cent

Logistics

According to independent market analyst Datamonitor's latest research report "India Logistics Outlook 2007", India's third-party logistics (3PL) market is all set to experience a period of organic growth and predicts high double-digit growth for both outsourced and contract logistics in India. With India's gross domestic product (GDP) growing at over 9% per year and the manufacturing sector enjoying double digit growth rates, the Indian logistics industry is at an inflection point, and is expected to reach a market size of over \$125 billion in year 2010. According to Datamonitor, outsourced logistics, at just above one-quarter of the entire \$90 billion Indian logistics market, is slated to grow at a compound annual growth rate (CAGR) of over 16% from 2007-10.

Due to the current state of under-developed trade and logistics infrastructure, the logistics cost of the Indian economy is 13% of the GDP, which is very high, compared to less than 10% of GDP in almost the entire western Europe and North America. (US 9.5% and Japan 10.5%)

With increased geographical distribution of incomes in India, the consumer markets are extending beyond the five metros of Mumbai, Delhi, Bangalore, Chennai and Hyderabad. However, rather than being pre-emptive, the companies are only following with new distribution outlets. As such, the increased competition across industry verticals is forcing firms to focus on product distribution, and logistics outsourcing is gaining further momentum with this.

The Indian logistics industry is characterized by dominance of a disorganized market. Transporters with fleets smaller than five trucks account for over two-thirds of the total trucks owned and operated in India and make up 80% of revenues. The freight forwarding segment is also represented by thousands of small customs brokers and clearing & forwarding agents, who cater to local cargo requirements.

Emerging Technologies in Indian Logistics Industry

IT is considered as the backbone of the logistics and shipping industry. It is a great enabler in this business, without which most functionalities of the industry cannot work seamlessly, without which it would be relegated to the status of just another unorganized sector. Industry experts believe that IT not only acts as a support system but also as a strategic weapon. Today, IT is involved in each and every step of this business—right from the time a consignment is picked up from a customer's place till the time that it is delivered to the consignee. Throughout the process, the help of IT is taken, including for bagging, transportation, and clearance.

According to industry players, without IT, they will not be able to work at all as it is embedded into their businesses. The latest technologies are being used in this industry for better performance, reliability, availability, manageability, and scalability. In developed countries, logistics and supply chain management (SCM) have matured and the technologies are already in place, whereas in India, the industry is still in the process of adoption. By far, the present IT requirements in the Indian logistics and shipping industry are Track and Trace, Warehouse Management System (WMS), Transportation Management System (TMS), ERP and Scanner implementation, Automatic Conveyor Belt system, and Scan based Auto Sorting tables and process. The notable emerging technologies that will help in making a difference would be Warehouse Control System (WCS), Standard Interfaces (Electronic Data Interfacte standards) for B2B transactions, Web Services, RFID, and Telematics.

OUR BUSINESS

Our Company is a growing information technology company with a strong acumen towards enabling the businesses to grow and manage their processes effectively. Radiant has a portfolio of products and solutions which are highly customizable for various verticals. Our solutions are engineered to suit the client needs. We assist clients in engineering and re-engineering their businesses, establish and power new technologies, bridge gaps between technologies, create synergy between technology and human resources of enterprises.

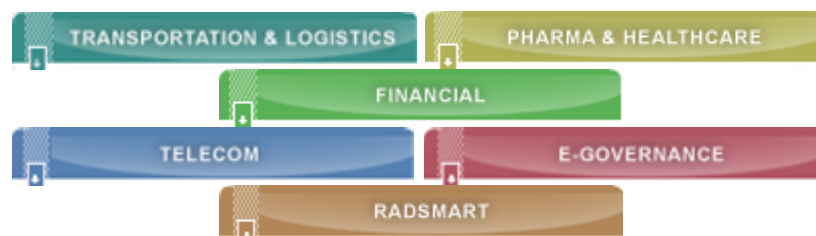
Our products have been developed by combining concepts and an understanding of the need for excellence in innovation, our expertise/experience in forging partnerships and relationships/alliances, with a strong industry business knowledge. We thereby help our clients operate at the very edge of technological advancements.

Location

Our Company is headquartered in Bangalore, the silicon valley of India and also has its office in Hyderabad. Our Company intends to set up a Software Development Center at Gowribidanur. The proposed facility, located at a distance of 80 kms from Bangalore, shall be well connected through Company provided transportation, as is the case with most IT companies. We also have presence in New Jersey, Texas and Connecticut in USA and in UK through our subsidiary Radiant Systems, Inc.

Business Overview

We are in the business of providing a range of Information Technology solutions to companies worldwide. Primarily our focus is on the following business verticals.



Our products and solutions also cater to the following industries:

- Manufacturing
- Utilities
- Retail
- Technology Providers

Our key clients (including that of our Subsidiary) in the above verticals include Fortune 500 companies like AT&T, Motorola, Novartis, Sanofi-Aventis, Pfizer, Johnson & Johnson, Hewlett Packard, Caterpillar, Coke, Goldman Sachs, Metlife, Prudential etc. In India we cater to the likes of KSRTC, APSRTC, TNSETC, GSRTC, Oracle, IBM, Samsung, ITC, BEL, Government of Karnataka, Krishna Grameena Bank, State Bank of Mysore, Hindustan UniLever Limited, Government of Andhra Pradesh and ECIL.

We have achieved substantial growth in revenues in recent years. Our revenues on a standalone basis have grown from Rs. 234.85 lacs in 2003-04 to Rs. 2781.11 lacs in 2007-08. For the same period our profits have been Rs. 33.75 lacs and Rs. 1086.88 lacs respectively. Our consolidated income for the year ended March 31, 2008 is Rs. 17,275.88 lacs with a PAT of Rs. 1,520.18 lacs. A table indicating our revenues and profits for the past 5 years is given below:

(Rs. lacs)

Particulars (Standalone)	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008
Total Income	234.85	417.14	778.13	1575.55	2781.11
PAT	(2.48)	2.86	24.26	265.75	845.26

Our people strength as of March 31, 2008 is 720 (324 employees in USA and 396 employees in India). For FY 2008, our top five customers on a consolidated basis accounted for approximately 55% of our total revenues and our top ten customers accounted for approximately 74% of our total revenues. Of this 85% of the revenues is derived from our subsidiary company, Radiant Systems, Inc. On a standalone basis, our top five customers account for 74% of our revenues, and top ten clients account for 87% of our revenues.

Our Competitive Strengths

We believe that the following are our principal competitive strengths, with which we edge past other IT solution providers.

1. Range of product offerings

Our competencies in technologies help us to develop innovative products for our clients in Logistics & Transportation, BFSI, Pharma & Healthcare, Telecom, E-Governance and RFID verticals. Our wide range of products and services in these business verticals have earned us a broad client base and provides us with sustainability to overcome volatile situations that a particular industry might face. We carefully consider the trends in these sectors and the future requirements of our clients while we develop our products resulting in continued and long standing relationships with our clients. For details of our product offerings please refer the paragraph titled 'Our Products & Services' beginning on page [●] of this Draft Red Herring Prospectus.

2. Broad Range of IT Services

We have developed a comprehensive range of service offerings in order to address the varied and expanding requirements of our clients. With development centers in India and the US, we offer IT strategic consulting, application development, data warehousing and business intelligence, application maintenance, package implementation, product engineering, testing, and infrastructure management services to our customers. We believe that our comprehensive range of offerings help our clients achieve their business objectives and enable us to obtain additional business from existing clients as well as address a larger base of potential new clients.

3. Strong management team

Our Company's top management comprises of qualified industry personnel each with approximately over 20 years of experience. Our management team has experience with diverse background and geographies with different areas of specialization within the IT industry. Before co-founding Radiant Info Systems, our promoters have worked with various IT companies.

4. Cost-effective solutions

We offer a combination of technical teams coupled with domain expertise in verticals like Logistics & Transportation, BFSI, Pharma & Healthcare, Telecom, E-Governance and RFID. We also adopt a unique model of collaborative Onsite-Offshore Development, wherein, there is a small team working at the client locations and a larger team working at Radiant's Bangalore Office, resulting in cost saving for our clients.

5. Global delivery model

RADLink - Our global delivery model, is a process involving dynamically moving the knowledge and resources across the globe for timely and efficient delivery to our customers. This hybrid delivery model represents our method for global development that achieves a balance of quality, cost savings and localization. We recognize that IT service firms cannot deliver quality and cost-and-time savings unless they are committed to integrating disparate people, cultures, business processes and skill sets into a single corporate vision. It further represents a fusion of global resources that is designed to enable us to pursue the same strategy and vision for our customers at a consistently high service level wherever they are located. The customer centric approach inherent in this model enables us to achieve high standards of quality in our delivery.

6. Human Capital

We consider our human capital as one of our key strengths. We have developed a professional, talented and dedicated pool of trained employees, who have the required skill sets and ability to manage and execute projects. We have over 300 qualified engineers/software developers/business analysts with relevant qualifications and experience in industry verticals where we operate. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organized or sponsored by our Company.

7. Focus on long term revenue stream

We have been awarded large system integration projects by organizations like TNSETC, GSRTC, Government of Andhra Pradesh under BOOT model (Build-Own-Operate-Transfer). Radiant benefits in terms of multi-year guaranteed revenues from BOOT model, repetition of the orders for successive years due to long relationships made during the project period under BOOT model.

Our Business Strategy

A) Expansion of our products business

- **Enhance our product offerings**

Our products are currently customized to meet country-specific requirements and client needs in the geographic markets in which they are offered. We will continue to invest in enhancing the functionality of our existing range of products. We intend to invest in technology that will allow the features of each product offering to be aggregated, thus decreasing the level of customization needed to meet a particular client's needs in a particular region, as features can be enabled or disabled as required in a particular region. We believe this investment will allow us enhance the competitive positioning of our product offerings and expand the size of the markets that we target.

- **Creation of new products**

We intend to continue investing in our R&D capabilities, particularly with a view to designing software engineering tools that enhance our ability to execute large, end-to-end projects and develop software solutions that address clients in specific industries. We believe that this investment in new product development and in R&D facilitates our growth by expanding the size of the market space that we address, while mitigating

business risk by reducing our dependence on the success of individual product lines. We will continue to invest in the creation of new intellectual property to fuel our growth.

B) Expansion of our service offerings

We intend to continue expanding our range of service offerings in order to increase business from our existing clients and acquire new clients. We will continue to capitalize on opportunities to position our service offerings in segments adjacent to IT services.

C) Cross-selling to our existing customer base

Repeat business from existing customers constitutes an important revenue opportunity for us. We will seek to increase the revenues generated from our existing customers who have deployed our products only in specific functions or locations. The nature of our products and service offering arrangements are such that growth in our customers' business may result in additional revenues to us. Further, as we add new offerings to our portfolio of products and services, cross-selling opportunities to our existing customer base should continue to grow.

D) Strengthening our brands

We intend to invest in developing and enhancing recognition of our brands, through brand building efforts, communication and promotional initiatives such as interaction with industry research organizations, participation in industry events, public relations and investor relations efforts. We believe that these initiatives, as well as the listing of our Equity Shares, will enhance the visibility of our brands and strengthen our recognition in the Indian IT solutions industry.

E) Further developing our alliances

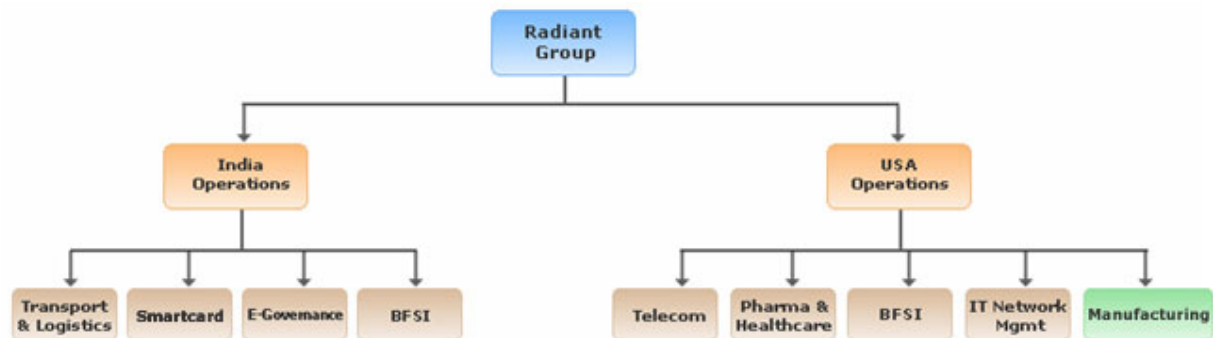
We intend to grow and strengthen our technology alliances with leading technology companies, which will assist us in sales and delivery. These alliances typically involve systems integration, joint product development and joint "go to market" strategies. We also intend to develop other alliances with local companies that have a strong presence in emerging markets so as to acquire business development capabilities and a credible local presence in these markets.

F) Maintaining our strategic focus on Indian market

We believe that India is a strategically important growth market that offers opportunities for us to build competencies in terms of domain expertise, leverage our assets and develop our employees for complex project execution. We intend to continue to focus on growing our India business through our brand name recognition. We will also continue to utilize the experience and expertise gained in our Indian operations to win and execute international projects.

OUR FOCUS AREAS

Our focus on the verticals in the various business markets is broadly classified as under



Our Products and Services

For details on our Company's Products & Services, please refer to page [●] on this Draft Red Herring Prospectus.

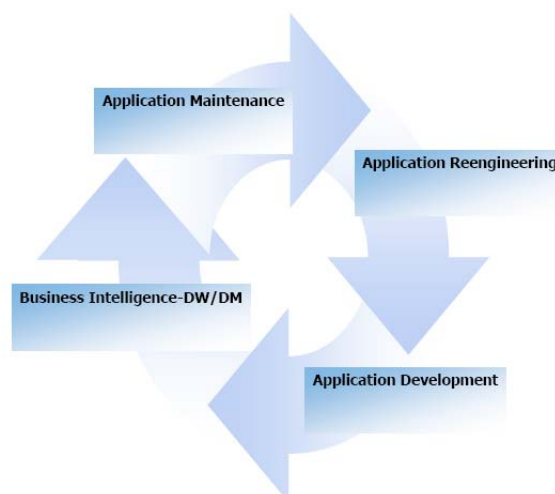
Our Business Model

Our Company provides the complete range of IT services that a client would require.

Our value proposition to our clients can be summarized through the adjacent chart. With experience, domain knowledge, technology expertise and the resources, coupled with the pricing competitiveness, we provide a complete solution package to our clients.



Our technical expertise lets us manage the four critical areas of our clients IT systems. This gives us added advantage of better understanding about the client's business as well as revenue generation abilities.



We try to create a win-win situation by using the following value propositions

Service	Value proposition for the client
Maintenance & migration Support	Direct cost reduction for clients
Application Integration	Direct cost reduction, cycle time reduction
Help Desk/BPO	Direct cost reduction, prompt response
Design based on development Requirements	Direct cost reduction, quality processes, project management, cycle time reduction
Other value propositions to clients	Infrastructure support, tool based and virtual project tracking and control, knowledge management tools, process optimization and learning, component reuse.

Competition

The market for IT Services is both highly competitive and rapidly evolving. We primarily face competition from Indian IT services companies as well as international technology services companies which offer broad-based services. We anticipate this competition to grow as the demand for these services increases and we also expect additional companies to enter the Indian market. We expect that further competition will increase and potentially include firms in countries with lower personnel costs than those prevailing in India. However, we recognize that price alone cannot constitute sustainable competitive advantage.

Collaborations/Alliances

We do not have any collaborations or joint ventures. However, as part of our business process we partner with other companies, as described below. These partner programs provide us a platform to keep abreast the latest technology developments that happen in these organizations which, also helps us in providing the latest and most updated services to our clients.

Partner	Benefits derived from alliance
---------	--------------------------------

Microsoft Gold Certified Partner	<ul style="list-style-type: none"> ▪ Access to exclusive online content ▪ Access to Microsoft Gold Certified Partner Programme newsletter, toolkit and branchkit ▪ Microsoft Gold Certified Partner Additional Subscriptions
IBM authorized Business Partner	<p>Independent Software Vendor (ISV) Advantage Initiative for Small and Medium Businesses (SMB) is designed to drive the success of ISVs serving the midmarket who are committed to achieving a majority share of their business on IBM platforms and going to market with IBM.</p> <p>ISV Advantage for Industries extends this successful initiative to include vertically-aligned ISVs focused on delivering industry tailored solutions to enterprise customers</p>
IBM Partnerworld - Premier member	<ul style="list-style-type: none"> ▪ Infrastructure Insights ▪ Industry Insights ▪ Complimentary IBM e-Government book ▪ PartnerPlan business planning tool
Platinum Partner - Novell	<p>Marketing Benefits:</p> <ul style="list-style-type: none"> ▪ Access to Novell logos ▪ Product listings in Novell Partner Product guide ▪ Online planner for marketing opportunities ▪ Subscription to Novell Connection magazine ▪ Participation in YES CERTIFIED Program ▪ Access to YES certification self-testing ▪ Novell Open Business OEM Licensing ▪ Dedicated Relationship manager <p>Technical Benefits:</p> <ul style="list-style-type: none"> ▪ Novell Tech Select Service (access to software and licensing) ▪ Novell Developer Kit ▪ Early access to beta software ▪ Developer Training (instructor-led, hands-on) ▪ Support Service Requests ▪ Partner Certification Support Agreement ▪ Additional product support ▪ Linux porting and migration assistance

Our Marketing approach and Business development set-up

Global Approach

Our eleven years of efforts have transformed our knowledge base into proven software products and solutions. This is a period of consolidation and merger by the businesses across the world for acquiring larger market share. We tap this global scenario by bringing together all our products and solutions and transform the same to suit this new global IT market. Our motto and approach is ‘**Globalizing Products and Localizing Solutions**’TM. As part of this process, our Company is focusing on products and solutions by selecting the higher band of offerings to maximize revenues and profits. Our exercise to tap the target clients involves;

- Re-shaping and customizing the offerings
- Focusing on global clientele
- Reaching the clients through partners and establishing local presence
- Centralizing the knowledge bank
- Market analysis and research to boost the knowledge bank
- Establishing centralized marketing teams in India to support global work force

Our efforts in the recent past with the above approach has given us an edge over our competitors which is evident from the acknowledgement, acceptance of some of our proven product suites like TransLogix for the transportation and logistic sector, Rise RX for the Telecom sector and GovOrbit for the e-Governance sector.

Our growth in recent years has been driven by new client acquisitions as well an increase in revenues from our existing clients. We undertake a detailed exercise periodically to identify existing and prospective clients with the potential to develop into large clients.

Our senior management and dedicated engagement managers are actively involved in managing client relationships and business development through targeted interaction with multiple contacts at different levels in the client organization. We have sales offices spread across different locations.

Our marketing initiatives include participating in major industry events, sponsoring user group events, analyst briefings and proactively using the media and press to increase awareness of our activities. We maintain regular contacts with industry research organizations. In addition, we have several technology alliances with leading IT vendors, which typically involve systems integration and in certain cases joint marketing efforts.

Geographical approach

As a global IT organization we have been increasing our geographical footprint and have established our presence in many of the large IT service markets in the world.

While our global approach to the markets has been driven by the slogan, ‘**Globalizing products and localizing solutions**’, we adopt region centric approach for different geographies. We have our offices in multi-locations in the US, India and UK.

Our marketing team worldwide targets our primary and secondary business vertical industries and service offerings through focused business development managers. The large clients are managed by our account managers. Each sales team is supported by the centralized marketing team and additional support staff based out of our office in India. The teams are complimented by a team of domain experts, solutions architects and business analysts. We use dedicated software to oversee the activities and follow up’s by our marketing team.

Our focus is on the following regions.

1. North America
2. Europe
3. India

North America

We have presence in the North American territory and we work closely with some of the Fortune 500 companies like Ford Motors, Pfizer, General Electric, Johnson & Johnson etc. We have been vendors to many state governments/government agencies in this region and our quality deliverables have been recognized by our clients.

Europe

We have launched our office in UK in the year 2006. Our relationships established with Microsoft, Perot Systems etc., are important leads to explore opportunities. We will focus on service offerings to prospective clients in this region through establishing relationships with clients with whom we are already working with in the US. We intend to further explore and expand our operations to other European countries like The Netherlands, Germany and France.

India

We attained successes in delivering quality IT products like TransLogix and GovOrbit to Transportation & Logistic and e-governance verticals in India. The success of these products in the southern part of India has encouraged us and we are in the process of replicating this across India. Most of the Fortune 500 companies have establishments in India, and we follow the same strategy of offering our services and products to these Fortune 500 companies with whom Radiant is already working with in US.

Future Prospects

Technology adoption in India reported steady gains in 2007. This segment is expected to cross USD 23 billion in FY 2008, reporting healthy growth across all segments. Hardware remains the largest segment of the domestic segment and is expected to grow at 44% in FY 2008. Domestic IT services spends are estimated to be growing at about 43% in FY 2008, and are showing strong signs of increasing sophistication as building enterprise IT infrastructures and applications, networking and communication become key priorities for India Inc.

With several large Indian enterprises now counted in the league of multinationals and often in head-on competition with the latter -in India as well as overseas, their technology related demands (in terms of value and scope) are evolving rapidly - in order to deliver world class services. Equally promising is the relatively less visible and yet slow - albeit very important, trend of growing technology adoption in the mid market segments of the domestic industry. Providers, Indian as well as multinationals, are paying more attention to specific needs of the mid-sized customers - with reasonable success. Growing levels of technology adoption are now accompanied by a steady appreciation of the rupee, which is also making India more attractive as a market - even for players that had earlier maintained a stricter focus on exports. This self feeding combination of increasing demand met by a larger mix of experienced and world class providers is expected to drive further growth in the domestic market.

Further, e-governance initiatives at the state and national levels are other key levers to unlock a significant 'network effect', and are progressing steadily.

(Source: NASSCOM Strategic Review 2008)

Licensed and Installed Capacity And Capacity Utilisation

Licensed and Installed Capacity and Capacity Utilisation is not applicable to our Company.

Facilities and Infrastructure

Our registered office is located at Bangalore. Our offices are equipped with computer systems, servers, relevant software's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations and needs.

Employee profile

Our Company has the right mix of software developers/programmers and business analysts. Our staff consists of skilled technical specialists and project managers trained to develop and implement state-of-the-art systems.

As on March 31, 2008, we have 396 employees on our rolls and 324 employees on the rolls of our subsidiary.

Particulars	No. of employees	
	Radiant Info Systems	Radiant Systems, Inc.
Technical	341	214
Technical Support Staff	26	61
Office Support Staff	29	31
Others	--	18
Total	396	324

Export Obligations

As on July 14, 2008, our Company does not have any Export Obligations.

Insurance

We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, explosion, riot and strikes, terrorism, burglary, theft and robbery, which we believe is in accordance with customary industry practices.

However, the amount of our insurance coverage may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialize. Further, there are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

The details of our material insurance policies and those of our subsidiaries are as stated below:

- | | | |
|----|---------------|---|
| A. | Policy No: | 604100/31/08/6100001771 |
| | Insurer | National Insurance Company Ltd. |
| | Policy Period | 00:00 hrs on 20.07.2007 to 19.07.09 |
| | Description | Private Car Policy |
| | Sum Insured | Rs.2,67,750/- |
| B. | Policy No: | 4015/0001186/01 |
| | Insurer | ICICI Lombard General Insurance Company Limited |
| | Policy Period | 00:00 hrs on 31.03.2008 to 30.03.2009 |
| | Description | Group Health Insurance |

	Sum Insured	Rs.19,725,000/-
C.	Policy No:	078101/46/07/04/00000571
	Insurer	United India Insurance Company Limited
	Policy Period	00:00 hrs on 19.12.2007 to 18.12.08
	Description	Burglary BP Policy (fixed assets)
	Sum Insured	Rs.62,24,460/-
D.	Policy No:	070101/11/07/11/00000399
	Insurer	United India Insurance Company Limited
	Policy Period	00:00 hrs on 19.12.2007 to 18.12.08
	Description	Standard Fire and Special Perils Policy (fixed assets)
	Sum Insured	Rs.97,93,220/-
E.	Policy No:	44051185*
	Insurer	IFFCO-TOKIO General Insurance Company Limited
	Policy Period	00:00 hrs on 25.07.2007 to 24.07.2008
	Description	Burglary Policy(for stock)
	Sum Insured	Rs.5,00,000/-
F.	Policy No:	11206079*
	Insurer	IFFCO -TOKIO General Insurance Company Limited
	Policy Period	00:00 hrs on 25.07.2007 to 24.07.08
	Description	Standard Fire and Special Perils Policy (for stock)
	Sum Insured	Rs.5,00,000/-

* Our Company is in the process of renewing these policies.

Property

Our Company does not own any properties in its name.

Leasehold Properties

	Schedule of the Property	Area	Consideration	Nature of Interest	Date and/ or term of lease	Other Party
1.	Immoveable property in the ground and first floor of the building bearing No.2227 (new No.2227/1), division No.52 A, 9 th Main road, Banashankari 2 nd stage, Bangalore-560 070	5300 Sq.Ft	A monthly rent of Rs.1,65,000/- subject to an enhancement of 6 ½ % at the end of every year over and above the last prevailing rent	Lease hold	Date: June 16, 2008 Term: 3 years	(1) Mr. Ratnam (2) Mr.Nagaraj (3) Mr.Naveen
	Registered Office & Software Development center					
2.	Immovable property bearing address Second Floor No. 1677, 35 th Main,	1300 sq.ft	A monthly rent of Rs.9,750/-	Leasehold	Date: July 10, 2008 Term: 11	Mrs. B. L Rukmini and Ms. Megha Manjunath

	15 th Main, Banashankari 2 nd Stage, Bangalore- 560 070				months	represented by their Power of Attorney Holder, Mr. B K Linge Gowda
	Transit accommodation for employees-cum- guest house					
3	Immovable property bearing address Flat No. 11, II floor, No.27, Kesari Nilaya, H B Samaj Road, Basavanagudi Bangalore - 560 004.	1800 sq.ft	A monthly rent of Rs.25,000/-	Leasehold ***	Date: June 01, 2008 Term: 11 months	Mr. Bhaskar Rao
4.	Immovable property situated at third floor, No.4112, K.R Road, Banashankari II stage Bangalore - 70 Software Development facility	4308 Sq.ft	Rs.70/-per Sq.Ft for the space of 4308 Sq. ft. In addition, for the 4 parking lots in the basement the rent is Rs.16,000/- per month subject to an enhancement of 5% at the end of every year on the then existing rent.	Leasehold*	Date: July 10, 2007 Term : 2 years	M/s Value Chain Software India Pvt. Ltd.
5.	Immoveable property bearing Flat No.301, in S.V s Classic Residency bearing Municipal Door No.6-6-3- 853/2, situated at Ameerpet, Hyderabad. Rajiv Internet Village co- ordinating facility center	1800 sq.ft	A monthly rent of Rs.35,000/- subject to an enhancement of 10% at the end of every year over and above the previous year's rent	Leasehold**	Date: April 20, 2008 Term: 11 months	Mr. K. Sridhar
6.	Immoveable	0.19	Annual rent of	Leasehold	Date-February,	Karnataka

Property bearing plot No.110K, in Sr.No.68 situated at Electronics City Doddathogur Village, Begur Hobli, Bangalore South Taluk, Bangalore District.	acres (771.2 Sq.Mt rs)	of Rs.19,000/- for a period 10 years with interest @12.5% per annum. In this regard, our Company has also paid a sum of Rs.18,81,000/- towards consideration at the time of execution of lease cum sale agreement dated February 11, 2008.	11 2008	Term : 10 years	State Electronics Development Corporation
--	------------------------	--	---------	-----------------	---

At the end of 10 years or completion of the project for which land is allotted whichever is earlier, the lease will be converted into a sale subject to the conditions mentioned under the lease cum sale agreement dated February 11, 2008 b/w KEONICS and our Company. The conversion of lease into a sale shall also be subject to the utilization of minimum 50% of the extent of land handed over to our Company, as determined by lessor on the merits of each case.

8. KIADB has by way of its letter dated January 17, 2008 intimated our Company that the State Level Single Window Clearance Committee on October 11, 2007 has approved our project to establish a unit for "Software Development Centre BPO/Data Centre, Call Centre and Training Centre and recommended KIADB to allot 8 acres of land in Gowribidanur Industrial area. The tentative price of Rs. 20,00,000/- lakhs per acre has been fixed by KIADB and 20 % of the tentative price was required to be paid by our Company within 30 days of receipt of the said letter. Our Company has paid an amount of Rs. 8 lacs vide our letter dated July 04, 2008, and have requested KIADB to grant an additional time of 60 days for the payment of 20% of the tentative price and completing the formalities under the allotment letter.

*We have not registered the said lease agreement.

**Our lease agreement has expired and we are in the process of renewing the same.

***Though our Company is in possession of the premises, we are in the process of executing a rental agreement with the lessor.

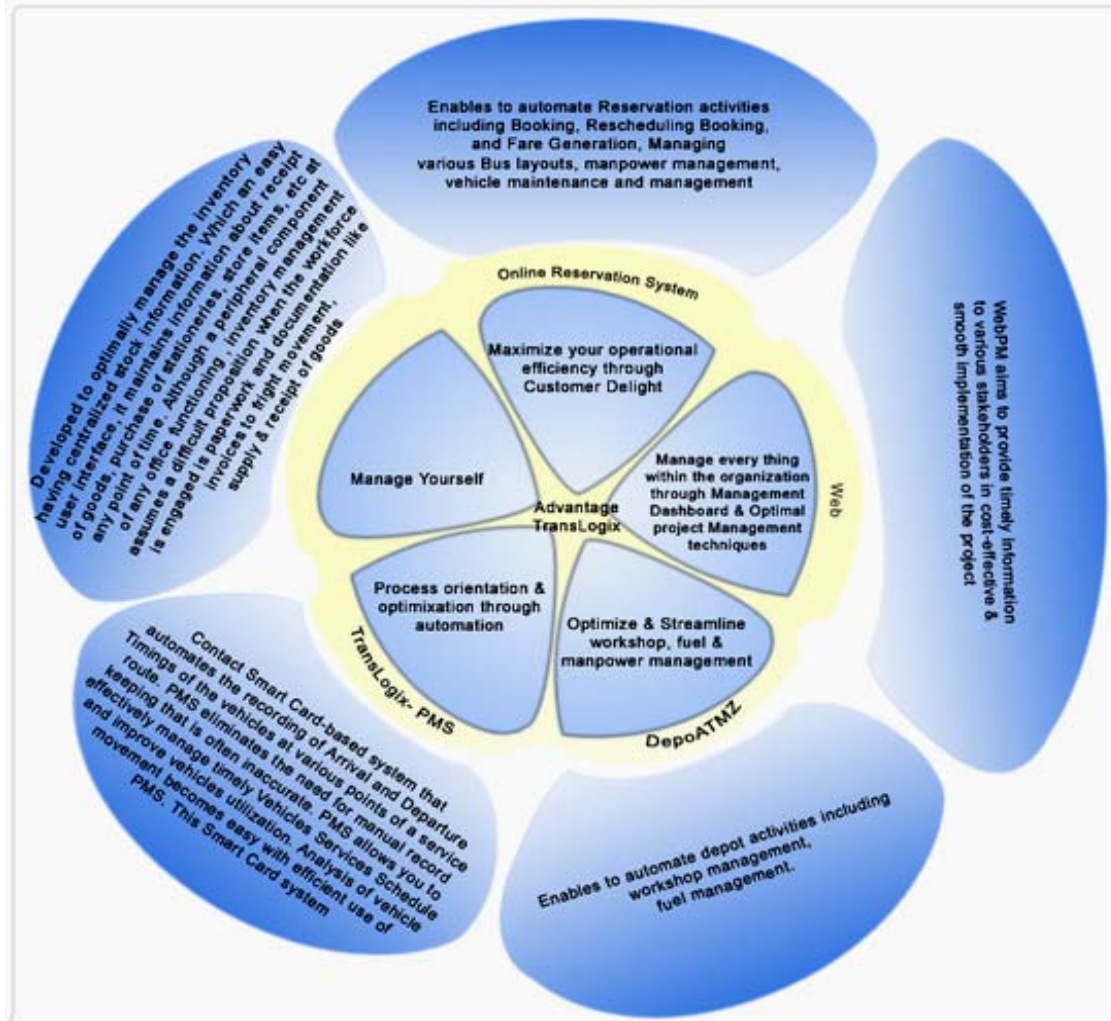
OUR PRODUCTS AND SERVICES

Radiant Info Systems Limited, as a solution provider, prides itself in providing increased value to all its esteemed clients in their area of core competency & service delivery. We create solutions to serve our valued customers and ensure a continuous growth to our clients.

Our Company has products and services classified broadly as under. A select few important product suites with its uses and description is mentioned below for understanding and clarity.

(A) DOMAIN - TRANSPORTATION AND LOGISTICS

TransLogix 4.5 - TransLogix suite of product and solutions is designed to effectively manage the core functionalities of the transportation & logistics sector.



Products in the Transportation and Logistics Domain

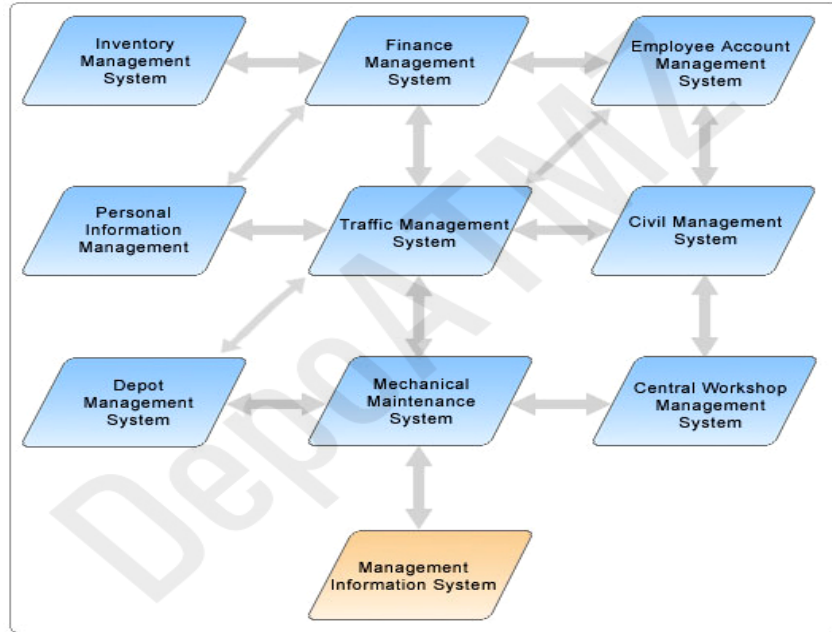
a) ORS - Online Reservation System

ORS is a web based Online Reservation System which enables clients to automate activities like ticket booking, rescheduling, fare generation, seat/layout management, manpower management, vehicle maintenance & management, administrative activities management and business intelligence reporting.

The system architecture provides easy scalability and handles concurrent users effectively. The product is designed to address electronic delivery of services by adopting a Service Oriented Architecture (SOA) and can easily integrate with various real-time financial and management systems.

b) DepoATMZ - Depot Management System

DepoATMZ, the depot automation tool is an enterprise product designed to automate, depot activities such as workshop management, fuel management, manpower management, inventory/store control management, vehicle tracking and fleet management.

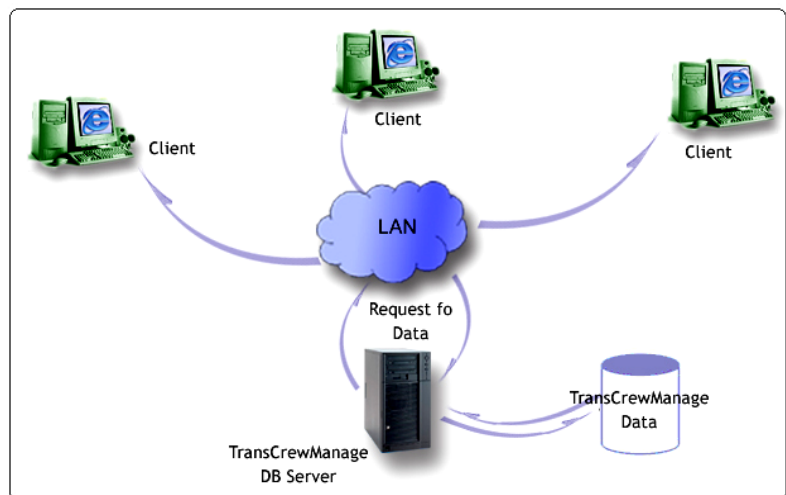


c) WebPM - Web Based Project Management

WebPM is an Online Project Management System, which facilitates smooth coordination amongst various users in complex and large-scale projects. It provides timely information to various stakeholders resulting in cost-effective & smooth implementation of a project. WebPM has inbuilt provisions to record project information such as project milestones, deliverables, work contents, timelines, responsibilities, dependencies and constraints. The system provides stakeholders to securely access the application and to update various activities/information, post notifications, record minutes of meetings, upload/download project documents/files, update objects like events calendar, setup discussion forum and publish articles on a routine basis.

d) TransCrewManage - Crew Management System

TransCrewManage product is used at depot level for all Road Transport Corporations. TransCrewManage assists the designated officer / depot manager to manage a large number of operating services and field staffs on time due to leave applications, unavailability of drivers and conductors for unknown reasons, variety of services i.e. with conductor, without conductor i.e. non-stop, demand for casual contract services, extra trips for festivals, accident vehicles, unwillingness of staff for overtime, variation in duty timings.



TransCrewManage takes care of all factors as duty hours, availability, overtime calculation and provides numerous reports as schedule adherence report, efficiency report and report for free manpower.

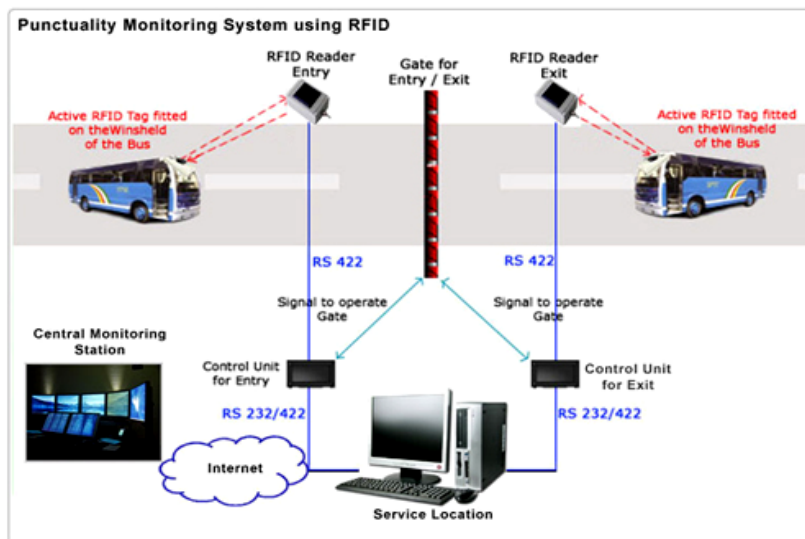
e) TransWorkshop - Workshop Automation System

TransWorkShop product helps in Adequate Vehicle Maintenance ensuring maximum vehicle performance as well as usage and better revenue collection. TransWorkshop helps in maintaining Vehicle Log Sheet in the vehicle itself with other cards for important assemblies and records ongoing maintenance activities to track the need or schedule for Preventive Maintenance.

TransWorkshop facilitates for recording daily, weekly and monthly maintenance standards, performance assessment for new and reconditioned aggregates like engine, fuel injection pump, gear box, battery, rear axle & tyre and also maintains important reports for premature failure of parts, accident vehicle damage and repairing requirement report.

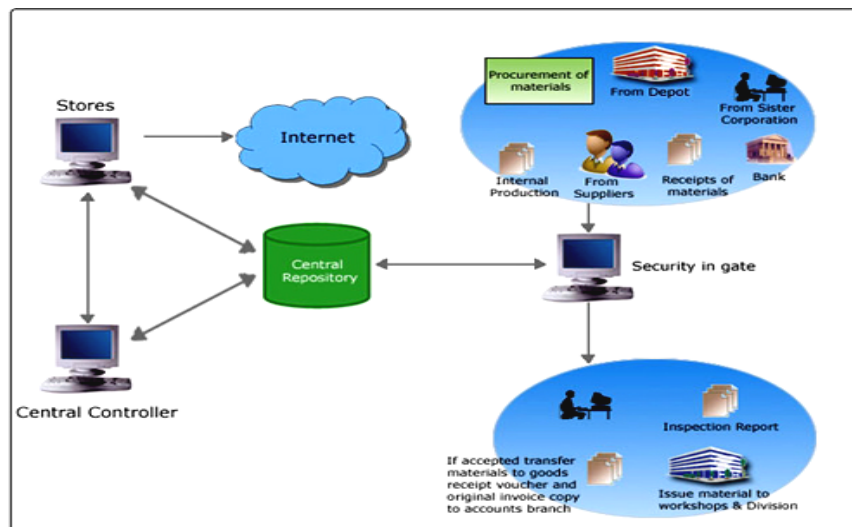
f) PMS - Punctuality Management System

Punctuality Monitoring System (PMS) is a location specific track and trace product designed to provide the tracking and tracing information of the fleet in a real-time mode using RFID technology. PMS gives crews, operators and authorities a wide range of benefits in the areas of scheduling, vehicle/fleet management to enable better monitoring and control.



g) eWare - Materials Management Inventory Control System

eWare is a tool to track and maintain materials, vendors and inventory. eWare uses RFID tags mounted on the products to identify asset level of the organization.



a) TransCAM - Traffic Monitoring System

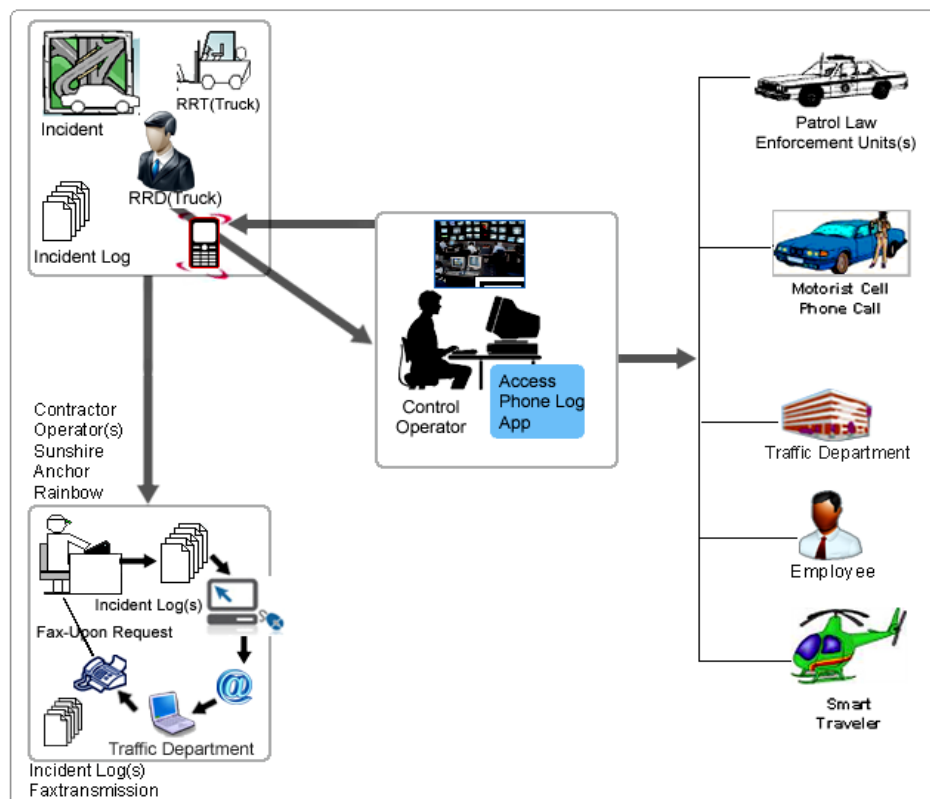
TransCAM is a Traffic Monitoring product. TransCAM is used as a traffic and incident management tool to address the traffic impacts and provide the users with live traffic movements/snapshots, traffic congestion map, dynamic message signs and current incident reporting. TransCAM is used to update the information about traffic incidents on information boards, DMS boards on a real-time basis.

b) TransAMS - Traffic Engineering Agency Management System

TransAMS is a product that has been designed to streamline the internal support services of the traffic engineering division by encouraging better coordination and administrative processes within departments. This product also reduces the paper trails and replaces manual processes with electronic transactions. TransAMS is a set of modular components designed to efficiently schedule, approve, assign, track, coordinate, prioritize and follow-up activities. This product provides a common portal and medium for sharing information across the engineering division as well as other traffic agencies.

c) RoadWARRIORZ

RoadWARRIORZ, an incident management product which bridges the gap of communication between the field units and the control center with a combination of wireless technology and pocket PCs. The use of advance technologies enables various emergency services to quickly communicate and help dispatch the appropriate personnel to aid the victims during an incident. Information about the incident is captured onto the pocket PCs and transmitted wirelessly to the legacy systems in the remote locations for appropriate measures to be implemented.



(B) DOMAIN - PHARMACEUTICALS AND HEALTHCARE

RadPharma 2.7 - RadPharma suite of products is designed to aid the pharmaceutical and life sciences organizations during the drug discovery and their clinical trial phase.

Products in the Pharmaceuticals and Healthcare Domain

a) RADAnnotate

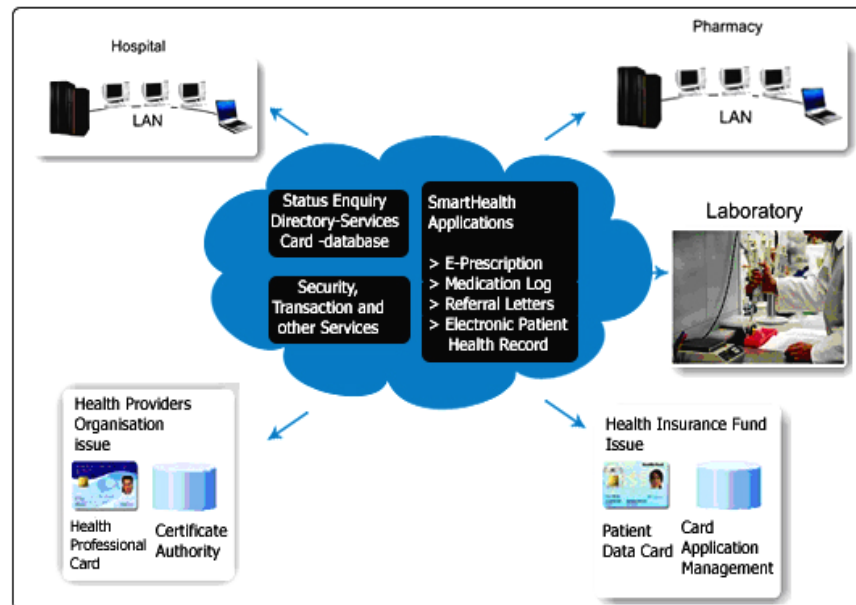
RADAnnotate is a product developed to aid the drug discovery process and help the chemists and the genome scientists accelerate and maintain consistency of compound lead Identification and Candidate Identification during the drug discovery. RADAnnotate provides in-depth analysis of compounds and productivity by managing experimental results and also streamlining chemical registration and compound management system for structure registration, search and display. RADAnnotate is used for annotating compounds and its series during drug discovery.

b) PatientRegistry

PatientRegistry is a product used by various pharmaceutical companies for managing drug usage patterns and relevant patient history of patients using various regulated prescription drugs. PatientRegistry acts as a central repository of patient history, medical records, referrals, authorizations and adverse effects. PatientRegistry acts as a common platform for doctors, patients, pharmacies, health care providers and regulatory authorities to track the usage of various regulated drugs. Information collected on the drug usage patterns is transferred to FDA and other regulatory authorities periodically.

c) SmartHealth - Electronic Health Insurance Card

SmartHealth is a smart card/bio-metric based product used to manage patient records and electronic health insurance card. This product tracks patient's case history, drug and dosage history, diagnosis information, treatment and the tests performed on the patient. SmartHealth tracks the patient history by integrating the insurance information. This product stores bio-metric and electronic digital signature information. SmartHealth also tracks insurance claims.

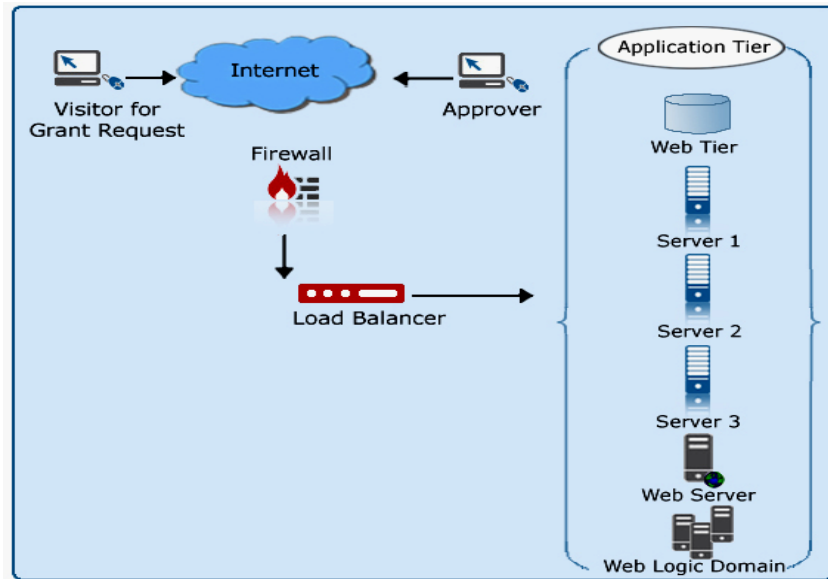


d) DrugReach - Pharma & Healthcare Analytics Solutions

DrugReach is a customized data-management and data-warehousing solution developed for various pharmaceutical and health-care providers to utilize their legacy data in the areas of Research, Pre-Clinical, Clinical, Sales & Marketing & Healthcare areas to develop Business Intelligence reports, develop analytics thereby helping the decision makers to evaluate their products and help reduce the time-to-market their products & solutions.

e) MediGrant

MediGrant is a Medical Education/Research Grant management product which helps automate the education/research grant process, so various medical education institutions/providers can submit grant request via the web. Pharmaceutical and healthcare companies fund institutions undertaking study/research in various therapeutic area and MediGrant helps these companies monitor the progress of such grant/studies while the grant is in progress.



Grants could be reviewed by designated committees and approvals could be provided online using the MediGrant system. MediGrant also helps in authority delegation/maintenance, renewal/extension of grant applications/grants and provide business reports for the management. MediGrant could be implemented across companies to track grants provided by multiple companies for the same study.

Solutions in the Pharmaceuticals and Healthcare Domain

a) RadHIPAA - Management Solution

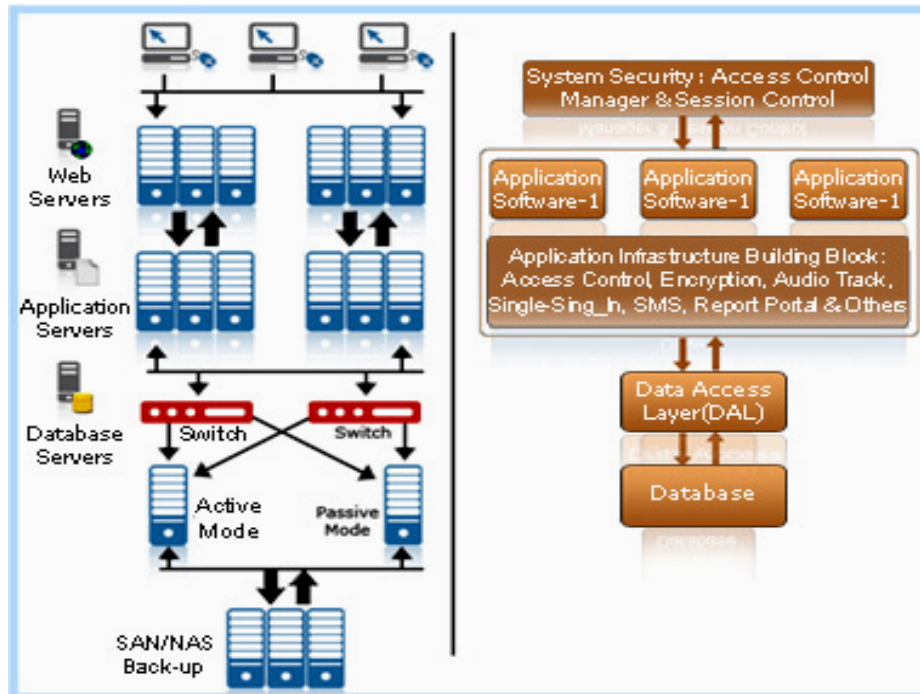
RadHIPAA - Radiant's HIPAA management solution is a customized solution that truly ensures implementation of provisions under the HIPAA Act. It provides for standardization of patient health / medical, administrative and financial records. RadHIPAA helps standardization of patient health, administrative and financial data, for establishment of unique health identifiers for individuals, employers, health plans and for health care services providers for implementation of security measures to protect the confidentiality and integrity of past, present and future patient healthcare information, for standardization of electronic data interchange technology and for faster portability of healthcare and insurance information across organizations and systems. Radiant provides a unique methodology for implementation of these solutions to various healthcare providers and insurances companies.

HIPPA compliance risk assessments and impact analyses, HIPPA compliance planning and HIPPA remediation and implementation plans are an integral part of our solutions.

b) PharmaInfoPool - IVR Solution

PharmaInfoPool is an interactive voice response (IVR) product used to access drug related information, sales & marketing data from various applications using voice, fax or email responses. PharmaInfoPool can be easily integrated with various SCM systems with automatic access of various faxed documents, IVR based inquiry fulfillment and publishing.

All requests for product information are automatically scanned into the system and an automatic email is generated to various Product Managers to appropriate action. PharmaInfoPool has a web based secure fax browsing and secure server authentication including audit trail reporting to FDA.



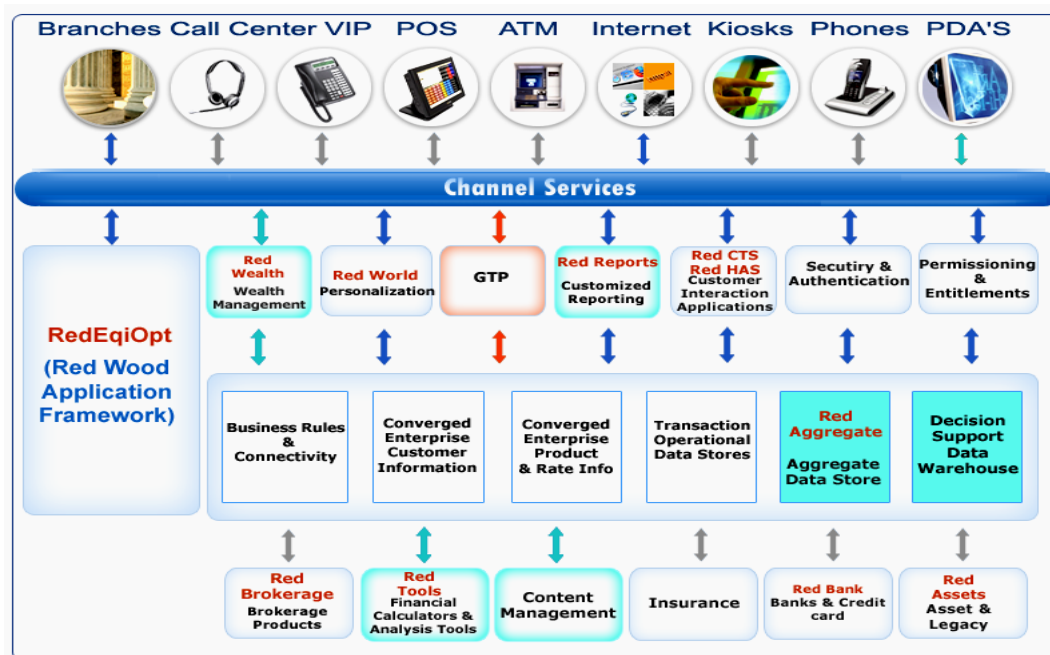
(C) DOMAIN - FINANCE

FinLOGIX 3.8 - FinLOGIX suite of products is a modular solution for various banks, financial institutions, insurance, brokerage, retirement services organizations.

Products in the Finance Domain

a) RedWoodFT

RedWoodFT - The Online Brokerage and Wealth Management solution is built with a full appreciation for the changing trends in the market. The modules of the product suite can be integrated into the financial institution's infrastructure. RedWoodFT has the ability to trade domestic equities, mutual funds, options and option strategies. RedWoodFT offers a suite of multi-currency financial services products, which include brokerage, asset management, aggregation, on-line banking and wealth management. RedWoodFT suites of products are configurable and help financial institutions for international private labeling.



b) PlanLinkZ



PlanLinkZ helps in the collection and archival of periodic, annual and year to date details of employees, contributions, compliance, loan repayments for organizations offering employee benefit plans. Recordkeeping/retirement companies use PlanLinkZ to properly create process and manage the information regarding Defined Retirement Benefit Plans, Contributions, and Participant Census Information. This product is designed to simplify, speed-up, and automate the process of recording and maintaining the details pertaining to Employee Retirement Plans.

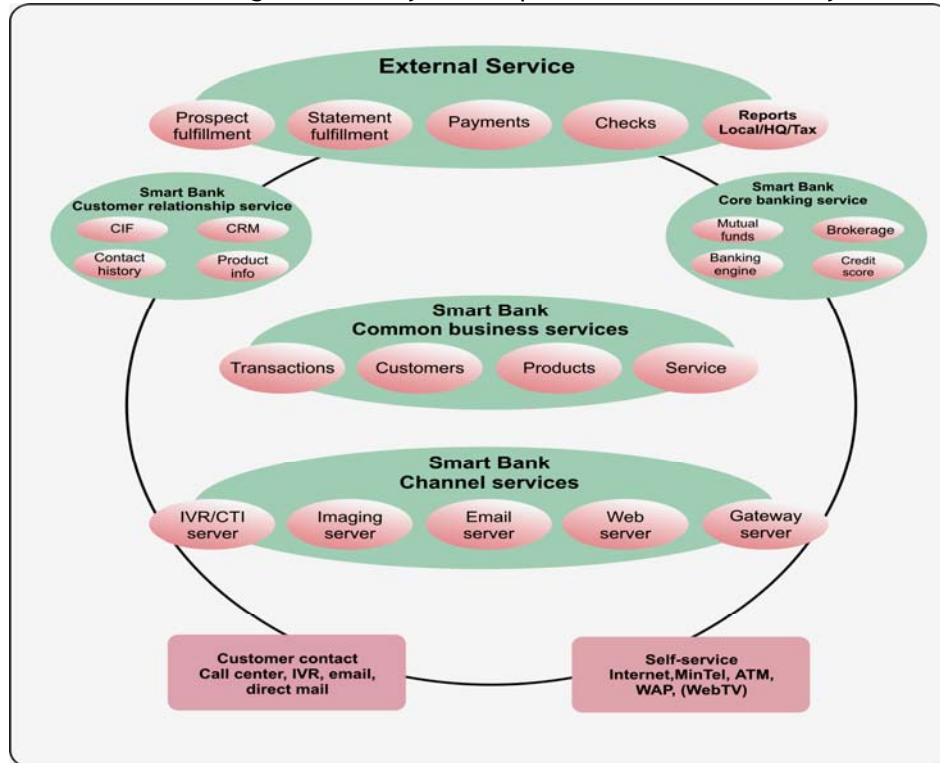
c) Swagruha - Home Loan System

Swagruha is a comprehensive product that addresses the requirements of the Home Loan/Mortgage space. Swagruha helps banks and other private financial institutions operating from different geographical locations to maintain central repository of data for streamlining the Home Loan Processing operations. This product guides user with calculations of the loan sanctioned on the basis of various parameters like age, income, project cost and requested amount. The Swagruha facilitates to stores relevant scanned documents in binary format for easy retrieval.

d) SmartBank - Rural Banking System

SmartBank is an e-finance product designed for leading financial institutions committed to differentiating themselves and driving additional revenue. SmartBank offers an outstanding e-finance channel, including banking, bill payment and presentment, money movement, payment and transfer warehousing, stop payments, online statements, check and deposit item images, account reconciliation and expense management, alerts, advisory services, personalization, content services, account aggregation and support for Personal Finance Management (PFM) and wireless clients.

SmartBank is designed to disseminate information through kiosk (with audio backing) and finger print scanner as well as maintenance of information in the system for the perusal of its stakeholders. The front office branch automation helps to dispense with filling up slips manually and signature verification of the borrower and depositor. These activities are carried out using a banking kiosk (with audio backing) and finger print scanner that is integrated with a touch screen. Smart card is used for authentication, and every user is granted a unique ID. Further, a second stage borrower authentication is done by finger print scanner that is integrated with system to provide additional security.



(D) DOMAIN - TELECOM



a) RiseRX2.0

RiseRX 2.0 is a customized product solution for the implementation of Network Infrastructure Management, Storage & Content Networking, Risk Assessment, Architecture and Infrastructure planning and assessment services. RiseRX 2.0 is a suite of products/solutions responsible for Security, IT planning & strategy, IT infrastructure management, project management, operating systems & directory services, network & systems management and storage networks.

b) RadTel Solution

RadTel has been providing customized solutions to telecom industry. Our areas of expertise are ATE, Wireless, Embedded Systems, ASIC/FPGA/PLD design, DSP implementation, NMS, and Application software development. Some of the solutions include

- Hardware and Firmware development
- Terminal software development

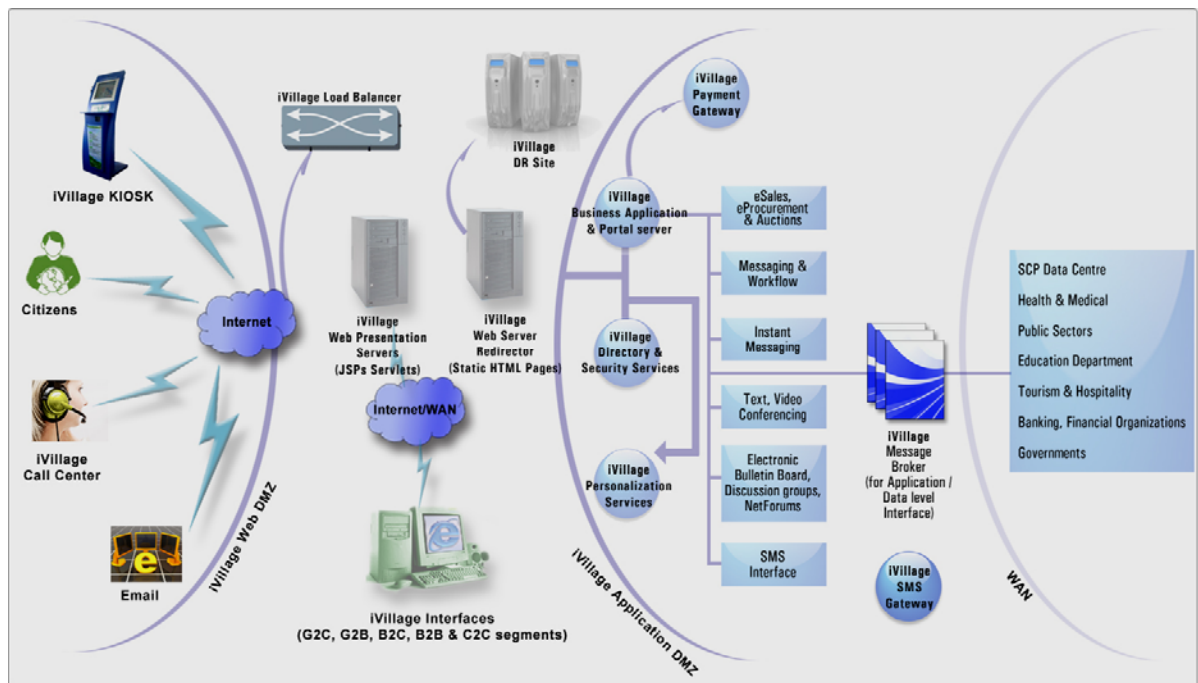
- Communication protocol development and interfaces
- Digital Multi-access Radio Telephone(DMART), UHF, VHE Multi Access Radio Relay (MARR)
- Software development for embedded controllers
- Real-time OS development
- Network Management and Network Solutions
- Service management system for customer support and maintenance.

(E) DOMAIN - E-GOVERNANCE

GovOrbit 4.0 - The GovOrbit suite of products offers varied services to government organizations. This product is user-friendly, robust, scalable and secure.

a) *IVILLAGE*

iVillage is a product suite bridges the gap between urban and rural population. iVillage is a “one-stop” electronic commerce and information portal that connects the governments, businesses and citizens all on the common platform. iVillage connects with various government departments (State, Central and Municipal) and provides online information at the point of service delivery through multiple delivery channels such as electronic kiosks, mobile phones and Internet. This product caters to a wide spectrum of services in G2C, G2B, B2C, B2B & C2C segments. iVillage allows the Consumers to directly transact business with the governments and other private institutions including the payment of bills, taxes, applying for licenses, accessing banking and financial data.



b) SmartCitizen

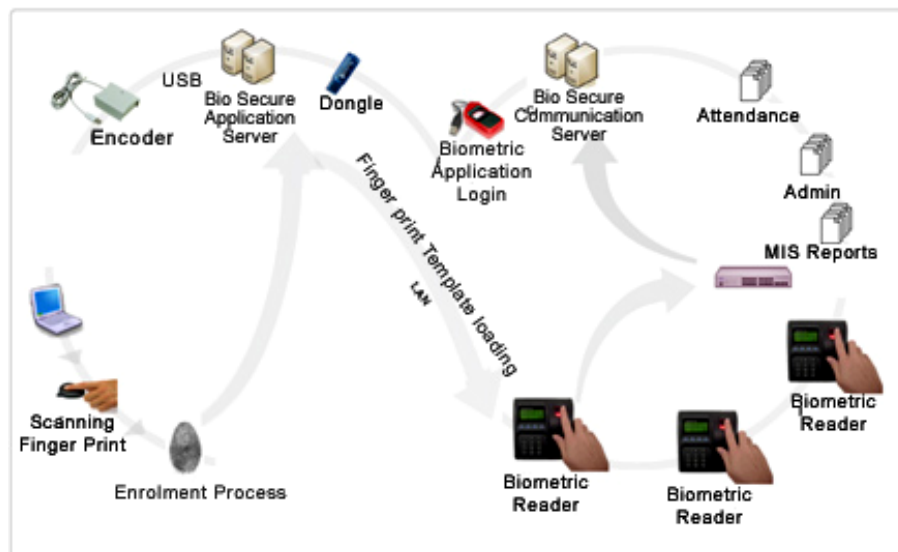
SmartCitizen is a product that enables intelligent services for citizens. “SmartCitizen”- provides a Smart Card solution that allows issuing, using and managing smart cards for identity verification and a variety of other applications such as access to e-government services, entitlements and benefits, payment and transportation. “SmartCitizen” cards are

typically issued by agencies (national, state or local) and provide one or several of the following services to citizens:

- National or state ID, Driver's license, e-passport, Border crossing
- Legally binding authentication and digital signature for: e-taxes, e-voting and other online government services
- Access to Bus, Tramway, Train, and other local travel
- Healthcare and Social Security
- e-purse, debit/credit, payment of benefits

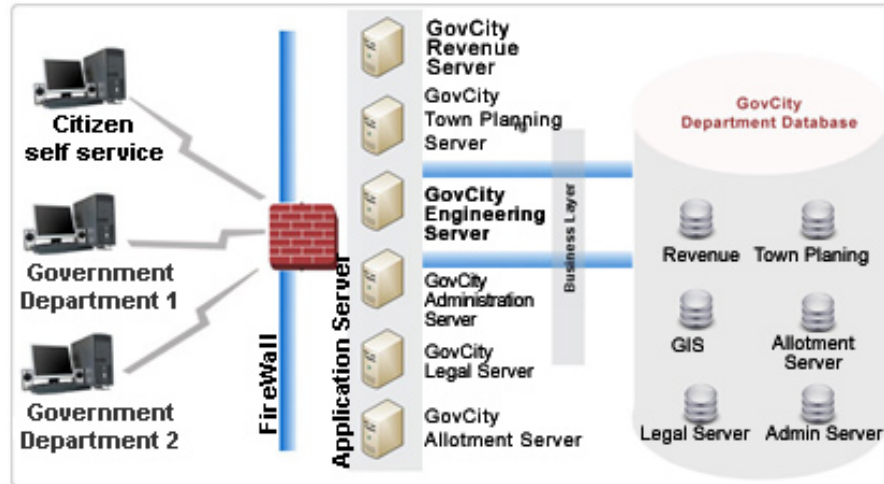
c) **BioSecure**

BioSecure monitors attendance of employees in organizations. BioSecure enables biometric authentication like live fingerprint to eliminate the proxy attendance of employees. The product captures and loads finger print templates to biometric devices installed at various locations in the organization. BioSecure helps managers to convert biometric data into machine readable formats.



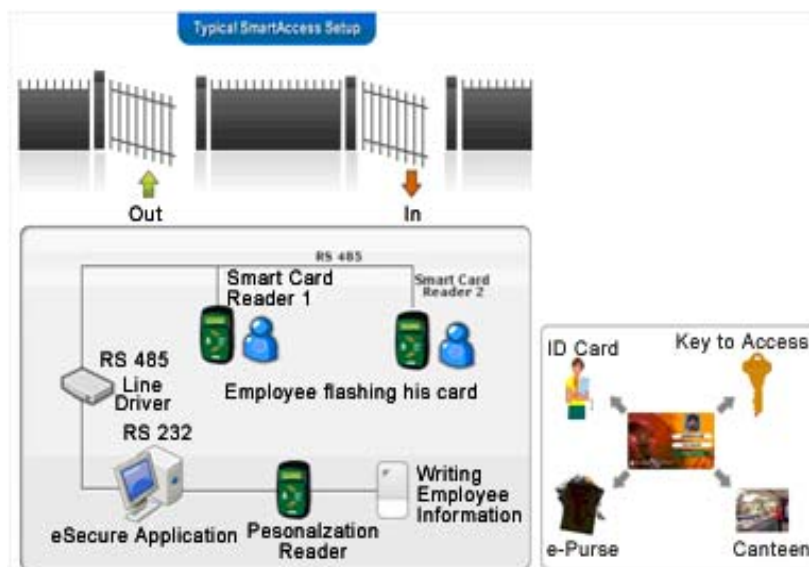
d) **GovCity - Enterprise Resource Planning for City Planning Department**

GovCity suite of product helps city corporations to define independent business process for town planning, engineering and for allotment of sites. The GIS based mapping facility helps various departments to administer facilities and revenue collections.



e) eSecure - Access Control System

eSecure helps organizations to optimize investments on monitoring employee activities across the organization such as attendance monitoring, e-purse, access limitations to secured areas, usage of canteen facilities. eSecure helps clients to personalize employee's smart card for multiple applications with facilities such as Anti-pass back, Black / Good List check, Group List check, Expiry date, Door mapping, Void black list card, Password check, Time zone and Time Group.



Solutions in the eGovernance Domain

a) TransDAMS - Emergency Declaration Management System

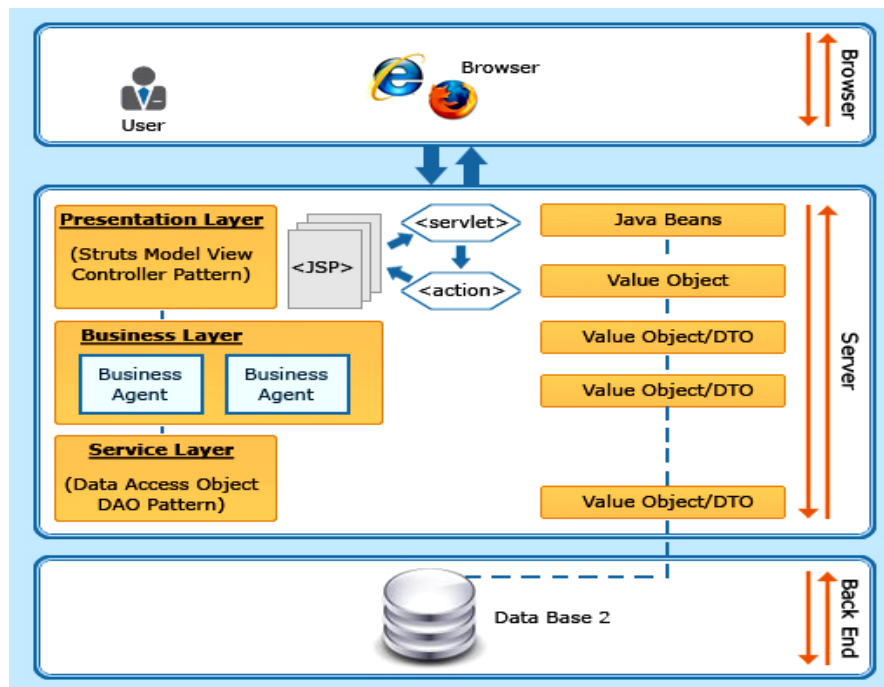
The TransDAMS workflow management system is a product that is used to document and track all assessment activities before and after a disaster. The TransDAMS is specifically designed in keeping a Traffic Engineering Agency challenges during a disaster. The product helps the Damage Assessment Team (DAT) to create assessments on site and then escalate it to the right section of people.

- TransDAMS eliminates the paper trails and replaces manual processes with an automated work flow
- TransDAMS has a portable module which runs on laptop and will be able to operate without any support from Central System
- All data is stored in a central repository for all necessary FEMA reporting at an agency or division level

b) RadCourt - Case Management System

RadCourt is a product which handles workflow management for legal streams and will integrate data across various departments of the courthouse. This product is made up of a robust set of modular components designed to efficiently file, monitor activity, analyze and track the outcomes of court cases and recommendations; including, but not limited to mediation appointments, Custody reviews, Investigation assignment scheduling, Conforms to all state judicial guidelines and procedures.

The product is backed by enterprising reporting tool to generate various MIS reports along with creating adhoc reports. CMS eliminates manual process filing of paper forms. This product supports operational requirements for helpdesk / call center infrastructure and functioning.



(F) RESOURCE MANAGEMENT

a) RMS - Resource Management System

RMS is a web-based recruitment product, which helps organizations to create online environment to track openings, resumes, interview schedules, offers made, billing life cycle of candidates, project durations and to track efficiency of the recruiters. The product-reporting tool helps account managers to effectively handle recruiters. RMS facilitates managements to track status reports of projects, account managers and employees.

b) VendorKey



“VendorKey” is a complete paperless web based requisition-to-pay application for procurement of temporary personnel in organizations. The tool has been designed to provide a seamless way of procuring temporary workforce. This provides Track Time, Expenses and maintaining vendor contracts. VendorKey coordinates the required procurement and staffing management in a centralized location.

c) RadEnable - A Job Portal for resources with disabilities

RadEnable is an online Job Portal developed for job seekers with disabilities. This is a common platform for both the job seekers and employers willing to hire employees with various disabilities. This portal has got various modules and customized testing and evaluation modules to access the job needs and abilities of an employee with disabilities.

d) RadDW - Data Management & BI Solutions

Radiant offers customized Business Intelligence Solutions that empower businesses to track minute by minute sales details and receive data from the supply chain. Radiant, with its strong understanding and domain expertise in Data Warehousing (DW) delivers cost-effective solutions that combine business intelligence with Data Warehousing technology.

Radiant offers DW and BI solutions in ERP, CRM and SCM with Activity Based Management, Data Mining, Enterprise Marketing Automation, and E-business Intelligence.

e) RadEAI - Enterprise Application Integration

Enterprise Applications are an asset to business and defines the way to manage a business. Keeping this in mind, Radiant’s Enterprise Application Services Division adopts a platform based approach, fuelling business optimization by using technology as a keystone.

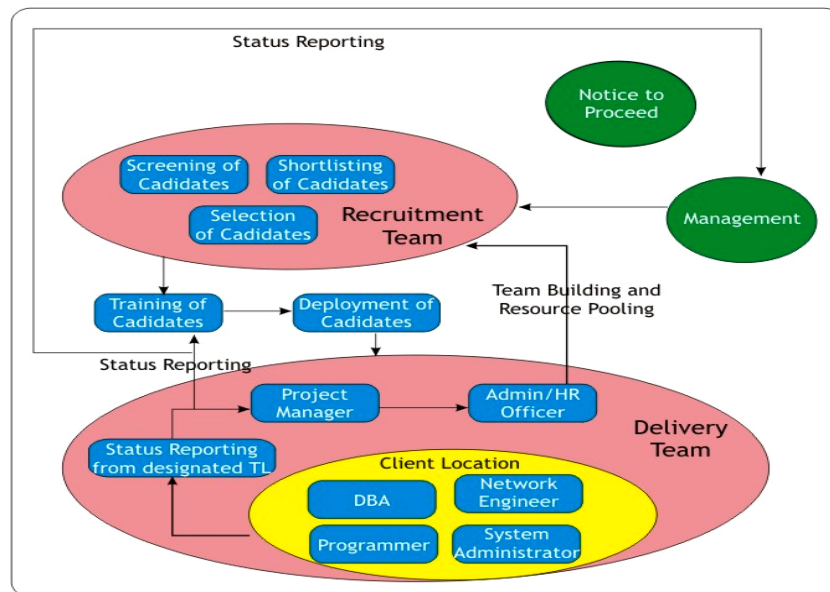
This optimization is achieved in two ways: Stage-based Offerings, where the stages are determined by the Enterprise Software Life Cycle and Process-driven Optimization. Under stage-based offerings, Radiant’s EAI division focuses on Application Consolidation, Universal Instance, Platform Development and Service Empowerment. Process- driven Optimization, where Radiant’s EAI division focuses on processes like Partner Integration, Integrated Customer View and Single Sign-on to deliver business optimization

f) RADFirst - ERP Implementation Service

RADFirst is a ERP Implementation methodology adopted by Radiant’s team for full-service implementations of SAP R/3, People Soft, BAAN, Oracle® Financial, SIEBEL, Clarify, i2 and ARIBA. These services include staff augmentation, implementation, and maintenance. RADFirst also caters to clients requiring solutions in the areas of ERP/CRM/SCM.

g) RadFMS - Facility Management Services

Our Facility management services offers a Process Model to small, medium and large organizations that choose to outsource their facility management.



The names of our products mentioned below may have undergone changes over past periods. Following is the partial list of clients where we have implemented/under implementation in full/part of the below mentioned products and solutions:

Sr. No	Product/Solution	Client
1)	Online Passenger Reservation System (TransLogix)	Karnataka State Road Transportation Limited Andhra Pradesh State Road Transportation Limited State Express Transport Corporation, Tamil Nadu - BOOT Model Gujarat State Road Transport Corporation - BOOT Model SRS Travels - BOO Model Venson Travels - BOO Model Sharada T&T - BOO Model
2)	RiseRX	AT&T
3)	RadTel	AT&T, Motorola, Lucent Technologies, T-Mobile, Avaya, Agere
4)	PlanLinkz	Citi Street
5)	SWAGRUHA	State Bank of Mysore
6)	SmartBank	Sri Krishna Grameena Bank, Visaka Grameena Bank, NABARD
7)	GovOrbit	Bharat Electronics Limited-Government of India Karnataka State Government Mysore Urban Development Authority, Government of Andhra Pradesh
8)	Pharma-InfoPool	Novartis
9)	DrugReach	Sanofi-Aventis

10)	Data Warehousing & Business Intelligence	Novartis, Swiss Re, Guardian
11)	RadSmart	Bharat Electronics Limited Electronics Corporation of India Limited Hindustan Lever Limited Hindustan Aeronauticals Limited Karnataka State Government Mahindra & Mahindra Mysore Urban Development Authority

KEY INDUSTRY REGULATIONS AND POLICIES

A brief summary of the relevant regulations and policies as prescribed by the Government of India and the relevant state governments that are applicable to us are as follows. Please note that the same are based on the legal provisions and the judicial interpretations thereof as on the date hereof, which are subject to change and information detailed in this chapter has been obtained from publications available in the public domain. The regulations and policies set out below are only for general information to the investors and is neither exhaustive nor is a substitute for professional legal advice.

Information Technology Act, 2000

The Information Technology Act, 2000 (“the IT Act”) was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. The Act regulates Information Technology i.e. it governs information storage, processing and communication. The Act provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cyber crimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases.

Software Technology Parks Scheme (“STP Scheme”)

The STP Scheme (under The Ministry of Information Technology, Government of India) has been notified by the Central Government (Ministry of Commerce) in exercise of its powers under Section 3 (1) of the Foreign Trade Development and Regulation Act, 1992 to permit the establishment of STPs which may be 100% export oriented units undertaking software development for export using data communication links or in the form of physical media and includes export of professional services. All notified IT enabled products and services would qualify their provider for establishing a unit in and benefiting from the STP scheme. Whilst activities falling within the IT sector have not been defined by the FIPB, certain activities under ITES have been notified vide a circular dated September 26, 2000 issued by the Central Board of Direct Taxes (CBDT). The ITES activities which fall under the scope of the said circular includes, (i) Back-Office Operations (ii) Call Centers (iii) Content Development or Animation (iv) Data Processing (v) Engineering and Design (vi) Geographic Information System Services (vii) Human Resources Services (viii) Insurance Claim Processing (ix) Legal Databases (x) Medical Transcription (xi) Payroll (xii) Remote Maintenance (xiii) Revenue Accounting (xiv) Support Centres and (xv) Web-site Services.

Setting up of a STP Unit: An application is required to be made by the company desirous of setting up a unit as an STP to the Director of the STP, which approval is ordinarily granted within 15 days of such application being made subject to (a) items to be manufactured or exported are not restricted or prohibited; (b) the location is in conformity with the prescribed parameters; (c) the export obligation laid down in the STP Scheme is fulfilled; and (d) the unit is amenable to bonding by the Customs and all manufacturing operations are carried out in the same premises. The registration as an STP is location specific. The applicant company pursuant to the requirements of the STP approval would be required to execute an agreement with the Government of India agreeing to comply with conditions prescribed in the STP approval, inter alia, the export obligations and customs bonding of the premises. In order to be able to obtain the STP license, the Company would require the following licenses:

- a. manufacturing consent from the relevant customs department;

- b. an Importer Exporter Code from the Directorate General of Foreign Trade (in order to be able to export its services/products); and
- c. registration as an 'Other Service Provider' with the Department of Telecommunications to provide call centre services.

Benefits under the STP Scheme: The salient features of the benefits available to a unit under the STP Scheme are:

1. All imports of hardware and software are duty free. The import of second hand goods is permitted and the re-export of capital goods is also permitted. Further, domestic purchases by the unit are eligible for the benefit of deemed exports to the equipment suppliers;
2. Sales in the domestic tariff area (DTA) are permissible up to 50% of the export in value terms;
3. No corporate income tax is payable till the year 2010;
4. The capital goods purchased from the DTA are entitled to benefits relating to the levy of excise duty and the reimbursement of central sales tax;
5. Capital invested by foreign entrepreneurs, know-how fees, royalties and dividend can freely be repatriated after payment of income taxes due on them, if any;
6. The income of these STP units can also be invested in principal companies overseas;
7. The unit is entitled to a Green Card for priority treatment for Government clearances and other services;
8. Depreciation on capital goods can be availed of above 90% over a period of five years and also the accelerated rate of 7% per quarter during the first two years subject to an overall limit of 70% in the first three years; and
9. An STP unit can import all types of goods (including capital goods) without the payment of duty for its activities or in connection therewith provided that such goods are not prohibited items of import.

State Specific Benefits

In addition to the benefits offered to an ITES company under the STP Scheme, certain benefits are also available under the relevant state legislation/regulations. These benefits include rebates/waivers in relation to payments for transfer of property and registration (including for purchase/lease of premises), waiver of conversion fee for land, entry tax exemptions, labour law relaxations, exemption from state pollution control requirements and commercial usage of electricity.

Shops and Establishments Acts

Our Company is governed by the various Shops and Establishments Acts as applicable in the States where it has branches. These Acts regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, interalia, registration, opening and closing hours, daily and weekly working hours, holidays, leaves, health and safety measures and wages for overtime work.

Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property, including, among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions

and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of the execution of documents affecting the transfer of an interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immoveable property of the value of Rs. 100 or more, and a lease of immoveable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

The Indian Stamp Act, 1899

Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

The Income Tax Act, 1961

In addition to prescribing regulations for computation of tax liability on income, the Income Tax Act provides that any company deducting tax must apply to the assessing officer for the allotment of a tax deduction account number. Furthermore, the legislation requires every taxpayer to apply to the assessing officer for a permanent account number.

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

Service Tax

Chapter V of the Finance Act 1994 (as amended), and Chapter V-A of the Finance Act 2007 requires that where provision of certain listed services, whole taxable services exceeds Rs.

10,00,000/- a service tax with respect to the same must be paid. Every person who is liable to pay service tax must register himself for the same.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/units/factories.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (“PGA”) provides for payment of gratuity, to an employee, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years: (a) on his/her superannuation; (b) on his/her retirement or resignation; (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). The PGA establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months; and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the central government may, by notification, specify.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“PBA”) provides for payment of bonus on the basis of profit or productivity to people employed in factories and establishments employing twenty or more persons on any day during an accounting year. The PBA ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Under the PBA every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher.

Employee’s Provident Funds and Miscellaneous Provisions Act, 1952

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“EPFA”) aims to institute provident funds and pension funds for the benefit of employees in establishments which employ more than 20 persons and factories specified in Schedule I of the EPFA.

Other acts applicable to our Company:

1. Negotiable Instruments Act, 1881,
2. The Companies Act, 1956,
3. Indian Contract Act, 1872,
4. Consumer Protection Act, 1986,
5. Copyright Act, 1957,

Foreign Investment

100% foreign investment is permissible under the automatic route in the information technology sector, provided that the foreign investor satisfies and complies with the requirements as specified in the Foreign Exchange Management Act, 1999 and the relevant

Rules and Regulations framed there under and the various notifications and press notes issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry. Pursuant to any foreign investment, a company would be required to make filings with the Reserve Bank of India and the authorized dealer informing them of the foreign investment and the allotment of shares of the company.

OUR HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on September 25, 1997 as a private limited company under the name and style of M/s. Radiant Info Systems Private Limited with the registration number being 08-22820 of 1997. Our Corporate Identity Number (CIN) is U30007KA1997PLC022820.

Our Company became a public limited company pursuant to a special resolution passed at the extraordinary general meeting held on November 12, 2007. The term “Private” was deleted from our name by the Registrar of Companies, Karnataka on January 22, 2008. Consequently, a fresh incorporation certificate was issued by Registrar of Companies, Karnataka upon change of name and on conversion to public limited company on January 22, 2008.

Radiant is head quartered in Bangalore, the silicon valley of India and has its office in Hyderabad. It also has its presence in New Jersey, Florida, Texas, Michigan and Connecticut in USA and UK through its subsidiaries/group companies.

We are in the business of providing a range of Information Technology or IT solutions to companies worldwide. Primarily our focus is on the verticals of Logistics & Transportation, BFSI, Pharma & Healthcare, Telecom, E-Governance and RFID. Our products and solutions cater to the companies engaged in Manufacturing Utilities Retail Technology Providers

Our Company has its registered office and corporate office at No.2227/1, 9th Main, Division No.52A, Banashankari II Stage, Bangalore- 560 070. Following table sets out the details of the change in our registered office since incorporation.

From	To	With effect from
845- 8 th ‘C’ Main Road, II F Cross, III Block, III stage, Basaveshwaranagar, Bangalore- 560 079	No.1206,16 th Main, IIInd Stage, Ist Phase, BTM Layout, Bangalore-560 076	August 27, 1998
No.1206,16 th Main, IIInd Stage, Ist Phase, BTM Layout, Bangalore-560 076	No.2227/1, 9 th Main, Division No.52A, Banashankari II Stage, Bangalore- 560 070	June 06, 2001

Our Company has obtained registration as a STPI unit under the Software Technology Park Scheme vide letter bearing Ref. no. EIG/RADIANT-INFOSYSTEMS/GEN/13388 dated March 28, 2000. For further details, please refer to page [●] of this Draft Red Herring Prospectus.

On March 31, 2000, the shareholders of our Company had transferred 2550 equity shares held by them to M/s. Radiant Systems, Inc. in the following manner:

Name of Transferor	Residential Status	No. of Equity shares	Name of Transferee
Mr. Venu Myneni	Non-Resident Indian	1,700	Radiant Systems, Inc USA
Mr. Vinod Koduru	Non-Resident Indian	850	Radiant Systems, Inc USA
	Total	2,550	

Subsequently, 2450 equity shares of the resident shareholders were transferred to Radiant Systems, Inc. after obtaining permission from FIPB vide their approval no. FE.CO.FID/1239/10.1.07.02.200(583) 2004-05 dated August 17, 2004 and the letter bearing ref. no. FC.II.5 (2001)EOP 6 (2001) dated August 21, 2001. The details of the transfer are as follows:

Name of Transferor	Residential Status	No. of Equity Shares	Name of Transferee
Ms. C. Rajyalakshmi	Person Resident in India	950	Radiant Systems, Inc., USA

Ms. Swarajalakshmi	Person Resident in India	1,125	Radiant Systems, Inc., USA
Mr. Y.M.V Prasad	Person Resident in India	375	Radiant Systems, Inc., USA
	Total	2,450	

Consequently, Radiant Systems, Inc. USA, which was earlier holding 2550 equity shares of our Company constituting 51% of our Company's paid up equity capital, held 100% of our Company's paid up equity capital. For the limited purpose of complying with the requirements of the Companies Act, 1956 which requires a minimum of two shareholders, one share of Mrs. C. Rajalakshmi was transferred to Mr. Venu Myneni. Hence, our Company remained a wholly owned subsidiary of Radiant Systems, Inc.

5000 equity shares of our Company were transferred to Mr. Venu Myneni and Mr. Vinod Koduru on January 1, 2005 by Radiant Systems, Inc. After this transfer our Company ceased to be a subsidiary of Radiant Systems, Inc.

Our Company had issued 31,99,574 equity shares to M/s. Radiant Systems, Inc. on January 02, 2007. Such preferential allotment of shares had resulted in the increased the shareholding of M/s. Radiant Systems, Inc. to approximately 78% of the total paid up capital of our Company and making it again a holding company of our Company.

Later, on January 12, 2007 the above shares were sold to Mr. Venu Myneni and Mr. Vinod Koduru and our Company ceased to be a subsidiary of Radiant Systems, Inc.

The Board of Directors vide their resolution dated September 08, 2005 had decided to incorporate a wholly owned subsidiary under the name and style "Radgov Solutions (India) Pvt Ltd". Pursuant to the same, Radgov Solutions (India) Private Limited was incorporated in the State of Andhra Pradesh on November 11, 2005. Its registered office is at No. 302, Ujwal Bhavishya Bhavan, 4th Lane, Uma Nagar, Begumpet, Hyderabad. However, our Company has divested from Radgov Solutions (India) Pvt. Ltd. and sold our holding to Mr. M Srinivasa Rao (father of Mr. Venu Myneni) and Mr. K. Janardhan Reddy (father of Mr. Vinod Koduru) with effect from November 06, 2006 since the company was not carrying on any business activities. The details of Radgov Solutions (India) Pvt. Ltd. are provided under the Chapter "Financial Information of Group Companies" beginning on page [●] of this Draft Red Herring Prospectus.

Our Company entered into a Business Purchase agreement with Radiant Systems, Inc. Pursuant to this business purchase agreement, on November 02, 2007, our Board of Directors vide their resolution proposed to issue equity shares, by way of shares swap in the ratio 1:1 to the shareholders of Radiant Systems, Inc. subject to the necessary approvals for FIPB and other relevant authorities. In this regard, our Company had made an application dated December 10, 2007 before the Under Secretary to the Government of India, Ministry of Finance, Department of Economic Affairs, FIPB for the approval for the proposed issue of equity shares to foreign companies by way of shares swap. The FIPB has accorded their approval vide letter bearing ref. no. FC II (2008)/377(2007) dated February 08, 2008 subject to certain terms and conditions contained therein. The allotment of 68,00,000 shares was made on February 12, 2008 pursuant to above FIPB Approval. On February 21, 2008, our Company has requested for the modification of the approval FC.II 11 (2008)/377/2007 dated February 08, 2008. In the said letter, our Company has requested for the approval for further swap of shares held by Mr. Venu Myneni and Mr. Vinod Koduru who are holding 114 and 86 equity shares respectively in Radiant Systems, Inc. Our Company has got the approval FC.II 11 (2008)/377/2007-Amend on April 15, 2008 and pursuant to which 200 shares were allotted on March 16, 2008.

Subsequent to the aforementioned share swap, Radiant Systems, Inc., USA has become wholly owned subsidiary of our Company.

Main Objects of our Company

Our main objects as contained in our Memorandum of Association are:

1. To design, develop, conceive, advise, prepare, convert, modify, maintain, improve, import, export, buy, sell let on hire or otherwise deal in all types and every description of Computer Software Programs, packages or products for application such as data processing process control and automation, production, control distribution control in the areas of industrial, scientific, commercial, domestic or any other use or application.
2. To design, develop, conceive, advise, assemble, manufacture, alter, repair, service, modify, maintain, improve, import, export, buy, sell, let on hire or otherwise deal in all types and kinds of computer hardware systems and all kinds of peripheral devices thereof for use in scientific, commercial, industrial or domestic and/or generally for any other application.
3. To carry on the business as consultant and advisers on all matters of personnel, placement and to render all services as technical and professional consultants in design, development, research, manufacture and establish to impart training and educational courses in computer hardware and hardware.
4. To obtain sanction, permission, license and quotas of the government for export and to do all things that may be necessary to obtain recognition as an “ Export House”.

The present business of our Company is as per the main objects as contained in the Memorandum of Association.

Changes in Memorandum of Association

The following amendments have been effected to the Memorandum of Association since incorporation:

Sr. No.	Date of shareholders approval and Type of Meeting		Details of Alteration
1.	January 25, 2001 EGM	Clause V	The authorized share capital was increased from Rs.5,00,000/- (Rupees Five Lakhs only) to Rs.10,00,000/- (Rupees Ten lakh only) divided into 10,000 equity shares of Rs.100/- each.
2.	October 06, 2006 EGM	Clause V	The nominal value of each Equity Share was sub-divided from Rs.100/- each to Rs.10/- each.
3.	October 06, 2006 EGM	Clause V	The authorized share capital was increased from Rs. 10,00,000/- (Rupees Ten lakh only) to Rs. 1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 equity shares of Rs.10/- each.
4.	December 07, 2006 EGM	Clause V	The authorized share capital was increased from Rs. 1,00,00,000/- (Rupees One Crore only) to Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 50,00,000 equity shares of Rs.10/- each
5.	October 22, 2007	Clause V	The authorized share capital was increased from Rs. 5,00,00,000/- (Rupees Five Crore only) to Rs.

	EGM		15,00,00,000/- (Rupees Fifteen Crore only) divided into 1, 50,00,000 equity shares of Rs.10/- each
6.	November 12, 2007 EGM	Clause I	The name has been altered from Radiant Info Systems Private Limited to Radiant Info Systems Limited and the name "Private" has been deleted.
7.	February 11, 2008 EGM	Clause V	The authorized share capital was increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1, 50,00,000 equity shares of Rs.10/- each to Rs.25,00,00,000/- (Rupees Twenty Five Crores only)

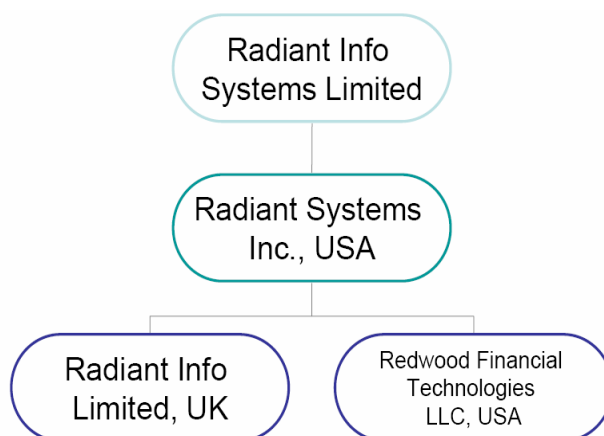
Key Milestones of our Company

Year	Milestones
1997	Our Company incorporated as a Private Limited Company
1999	Bagged our first overseas order from Warewell, Cambodia for Payroll and Canteen Management system
2000	Made our presence in the Government Sector by providing IT solutions to Mysore Urban Development Authority
2001	Signed up with St. John, The Evangelist Church for Church Card (A genealogical smart card). Also signed up with Logica Synetics, Heritage Foods India Ltd., Karnataka State Warehousing Corporation and Department of Industries and Commerce for smartcards.
2002	Implemented the Smartcard Management System in the Secretariat of Karnataka. Provided various Smartcard based solutions to Karnataka State Women Development Corporation, Wockhardt Hospitals, Jayadeva Institute of Cardiology, Bangalore Metropolitan Transport Corporation and Triveni Engineering.
2003	Expanded our customer base by adding Tek Matrix, Mysore City Corporation, Bangalore Mahanagara Palike, APSRTC and Firepro systems for smartcards.
2004	As a part of our expansion strategy, Radiant entered into contract with Government of Andhra Pradesh to implement the e-governance project. Radiant became vendor to Wipro, KSRTC, Rural Banks in Karnataka, Agilent Technologies. We also secured clients overseas by signing with IT Source LLC, US and AIG FZE, Dubai. Received an ISO 9001:2000 Certificate for Quality Management Systems for the customized software application development
2005	Radiant did a complete transformation by entering into the Transport and Logistic vertical. We have developed the TransLGX2.0, a one-stop-shop solution for road transport companies. Bagged the prestigious order for online passenger reservation system for KSRTC and maintenance of KSRTC's IT systems. Radiant signed up with Quantum, BEL, Accenture, Logica CMG as vendor. Radiant was awarded by IBM for 'Excellence in Innovation' at Munich in Germany and 'Best ISV partner' in IBMs ISV summit in Cochi
2006	Intel's 'Jaagruthi' award was conferred on Radiant.

	<p>Radiant became 'Authorized Business Partner' and 'Preferred IT services vendor' for IBM.</p> <p>Radiant was also selected by IBM for 'Global Autonomic Computing Business Partner Initiative'.</p> <p>Radiant tied up with Jinfonet as Value Added reseller, Independent Software Vendor and consulting partner.</p> <p>Singed up major contracts with APSRTC, Government of Andhra Pradesh, STI USA, Tech Mahindra, NEKRTC, Genpact India, IRIS Corporation Berhard, Malaysia.</p> <p>Received awards from Microsoft for 'Technological excellence and impact on customers through Microsoft products and for 'Technological expertise and superiority in business process and integration.</p>
2007	<p>Launched e-ticketing for KSRTC.</p> <p>Radiant bagged a 5 year contract from TNSETC and a 3 year contract from APSRTC for OPRS implementation and maintenance.</p> <p>We launched SETC OPRS in a record time of 3 months.</p> <p>Radiant received orders from KSRTC and APSRTC for setting up of Disaster Recovery Centers for OPRS maintenance.</p>
2007	Our Company was converted into a Public Limited Company
2008	<p>Radiant teamed with SPANCO, FINO, CORNET, NASTEC, for implementation of large system integration projects from the government and private sector.</p> <p>Received a 5 year contract from GSRTC for implementation and maintenance of OPRS.</p> <p>Radiant was awarded by Microsoft as Gold Certified Partner.</p> <p>Radiant was awarded by Microsoft for its expertise and superiority in mobility solutions, networking infrastructure solutions, information worker solutions and business process and integration for the year 2007.</p> <p>Radiant signed up with Vantage Agora, USA and ECIL, Hyderabad as vendor.</p> <p>Radiant Systems, Inc. was made the wholly owned subsidiary of our Company.</p>

Our Subsidiaries

Our Company has one direct subsidiary namely (i) Radiant Systems, Inc., USA and two indirect subsidiaries namely (ii) Radiant Info Limited, UK and (iii) Redwood Financial Technologies LLC, USA which are the subsidiary of Radiant Systems, Inc., USA.



A) RADIANT SYSTEMS, INC.

Radiant Systems, Inc. was incorporated on July 28, 1995 with New Jersey Department of State, Division of Commercial Recording as a limited liabilities company. The registration no. of the company is 0100634490. The Registered Office of the company is situated at 109-A, Corporate Blvd, South Plainfeild, NJ 07080.

The Company was promoted by Mr. Venu Myneni and Mr. Vinod Koduru with a view to capitalize on opportunities in the IT sector. The Company's main object is to operate into the field of software development and other IT enabled services.

Radiant Systems, Inc. is a professional service organization helping customers create synergies of information through the use of leading edge software applications. Professionalism and expertise has allowed the company to do business with major Fortune 500 organizations. Radiant Systems, Inc. is headquartered in New Jersey and the company has two subsidiaries Redwood Financial Technologies, LLC. And Radiant Info Limited, UK. Radiant Systems, Inc. has two branches in Connecticut and California under name and style Radiant Infosystems Inc.

Company's following services focus on the critical business areas of operations, information and management:

- E-commerce, Web Enabling
- e-Government solutions
- ERP, CRM and Data Management
- Software Development, Legacy Maintenance, Application Development, Software re-engineering etc
- Tele-communications, Embedded Systems, Middleware, ASIC Design etc.
- IT consulting
- Corporate Training
- Offshore Development
- Buisness Process Outsourcing

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Mr. Vinod Koduru	Director

Current Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1.	Radiant Info Systems Limited	68,00,200	100

Face value of each share is \$ 0.01

Brief Financial Performance:

(US \$)

Particulars	Year ended 31-Mar-06	Year ended 31-Mar-07	Year ended 31-Mar-08
Equity Share Capital	1,365.00	1,365.00	69,365.00
Additional Paid in Capital (Share Application Money)	413,635.00	68,000.00	-
Reserves (excluding Revaluation Reserves)	479,910.00	1,086,626.00	2,553,206.38
Net Worth	481,275.00	1,087,991.00	2,622,571.38
Total Income	26,906,603.00	33,169,191.51	38,486,780.80
PAT	369,331.00	744,574.00	1,666,580.38
EPS (\$)	1,846.66	3,722.87	0.25
NAV per share (\$)	2,406.38	5,439.96	0.39

B) REDWOOD FINANCIAL TECHNOLOGIES, LLC.

Redwood Financial Technologies, LLC. was incorporated on January 28, 2002 with New Jersey Department of State, Division of Commercial Recording as a limited liabilities company. The registration no. of the company is 0600132166. The Registered Office of the company is situated at 109 A, Corporate Bouvelard, South Plainfeild, NJ07080, Middlesex County, New Jersey.

The company was promoted by Mr. Venu Myneni and Mr. Vinod Koduru with a view to capitalize on opportunities in the IT sector. The company's main object was to operate into the field of software development and other IT enabled services.

Members

Name of the Director	Designation
Mr. Venu Myneni	Director
Mr. Vinod Koduru	Director

Shareholding Pattern:

The 100% shareholding is with Radiant Systems, Inc.

Brief Financial Performance:

(US \$)

Particulars	Year ended 31-Mar-06	Year ended 31-Mar-07	Year ended 31-Mar-08
Partners Capital Account	1000	1000	1000
Reserves (excluding Revaluation Reserves)	(350.00)	(350.00)	(1,110.00)
Net Worth	650.00	650.00	(110.00)
Total Income	0.00	0.00	0.00

PAT	0.00	0.00	(760.00)
-----	------	------	----------

C) RADIANT INFO LIMITED, UK

Radiant Info Limited was incorporated on November 10, 2006 with Registrar of Companies for England and Wales. The registration no. of the company is 5994872. The Registered Office of the company is situated at KBC Business Exchange, 23 Clayton Road, Hayes, Middlesex, UB3 1AN.

The Company was promoted by Mr. Venu Myneni and Mr. Vinod Koduru with a view to capitalize on opportunities in the IT sector. The Company's main objects include IT Consulting and Services.

The Company has not commenced its business activity so far and has not acquired any fixed assets so far. Hence no profit and loss account has been prepared. Expenditure incurred has been capitalized as preoperative expenses.

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Mr. Vinod Koduru	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1.	Radiant Systems, Inc.	39002	100

Note: All shares are of £ 1 each

Brief Financial Performance:

Particulars	(£)	
	Year ended 31-Mar-07	Year ended 31-Mar-08
Equity Share Capital	2	39002
Reserves (excluding Revaluation Reserves)	(15,916.00)	(58,551.20)
Net Worth	(15,914.00)	(19,549.20)
Total Income	0	47259.49
PAT	(15,916.00)	(42,634.61)
EPS (£)	(7,958.00)	(1.09)
NAV per share (£)	(7,957.00)	(0.50)
Face Value (£)	1	1

Shareholders' Agreement

Our Company does not have any subsisting shareholder's agreement as on the date of filing of this Draft Red Herring Prospectus with SEBI.

Other Agreements

Notwithstanding normal Banking arrangements, and agreements which we enter with various contractors/government agencies for our business, our Company has not entered into any other agreements, except as mentioned below:

1. Software Marketing and Licensing Agreement dated March 20, 2008

Our Company has entered into a Software Marketing and Licensing Agreement dated March 20, 2008 ("Agreement") for marketing of Radgov, Inc.'s software products as mentioned in the said Agreement ("Software Products"). As per the said Agreement, the Company shall use its best efforts to promote and to seek orders for the software in the territory and generally assist Radgov, Inc. in the commercial exploitation of the software in the territory. The Company shall perform its duties with reasonable care and skill and shall cultivate and maintain good relations with sound commercial principles. The Company shall promptly notify Radgov, Inc. of all orders for the software which it receives from potential end users both within and outside the territory. The Company shall inform Radgov, Inc. of all laws and regulations in the territory from time-to-time relating to the packaging and labeling of the software and shall immediately notify the Radgov, Inc. if aware that the arrangements contemplated by this Agreement are or may be in breach of any such laws. The Company shall keep Radgov, Inc. informed of conditions in the market for the software in the territory. The Company shall inform Radgov, Inc. forthwith: i) Of any complaint concerning the Software that was received by the Company and ii) Of any matters likely to be relevant in relation to the development, promotion, or maintenance of the Software in the territory.

Consideration:

Radgov, Inc. shall send an invoice on the 5th day of each month concerning monthly standing charges at the rate of 2.50% of the sale consideration received by the Company. The Company shall pay such invoice within sixty (60) days of receipt of the invoice. This agreement is effective from March 20, 2008 and shall terminate as of March 19, 2010, unless both parties decide to extend the agreement by informing each other in writing.

Our Company has entered in to an amendment agreement dated March 20, 2008 (w.ef March 28, 2008) in order to bring more clarity to the terms and conditions of the Agreement. Under this Amendment Agreement, Radgov, Inc. has agreed to indemnify our Company against all claims and losses with regard to their express obligations under this agreement.

2. Agreement of Non-Competition in Business dated March 18, 2008 between Radgov, Inc. and Radiant Systems, Inc.

As per the terms of this Agreement, Radiant Systems, Inc. has agreed that effective from March 18, 2008, for a period of two years the parties through their respective directors, officers, managers, employees and any person under their control, shall not, for any reason, without prior written consent from the other party, solicit, engage or enter into an Agreement with any of each others' current Clients, Resellers or Distributors. This covenant shall extend to the whole of North America and shall remain in full force and effect for 2 years from date hereof.

Radgov, Inc. grants Radiant Systems, Inc. a right to acquire the business of Radgov, Inc. at the fair market value within a period of two years from the date of this Agreement. In the case of Radgov, Inc. is interested to find a buyer within this period, Radgov, Inc. grants the Radiant Systems, Inc. the first right of refusal.

3. Business Transfer Agreement dated April 01, 2007 between our Company and Radiant Systems, Inc.

The Business Transfer Agreement dated April 01, 2007 has been entered in to between Radiant Systems, Inc. (Transferor) and our Company (Transferee). The relevant terms of the agreement are stated hereunder:

The Transferor shall transfer, grant, convey, assign and deliver, as a going concern, to the Transferee, and the Transferee shall accept, the same as a going concern from the Transferor, all of the Transferor's rights, title and interest in and to the Business with effect from April 01, 2007. Business shall mean any and all assets and the operations associated with those assets, liabilities, employees, intellectual property rights, contracts, goodwill, including supply and sales contracts and any other item and properties held or utilized by the Transferor (or such other rights or tangible or intangible property/properties which the Transferor may acquire in future in the ordinary course of business) as a going concern until closing.

The transfer price shall be mutually decided by the parties at a future date on compliance with various requirements on either side. The transactions contemplated by this agreement shall be consummated at Bangalore or such other place as mutually agreed upon within a year from the date of conditions precedent as stated in the agreement are satisfied or waived.

Strategic Partners

Presently, our Company does not have any strategic partners.

Financial Partners

Presently, our Company does not have any financial partners.

OUR MANAGEMENT

Board of Directors

Board of Directors comprising of six directors currently manage our Company. Mr. Venu Myneni is our Chairman & Managing Director and is in-charge of the overall management of our Company subject to the supervision and control of the Board.

The following table sets forth the details regarding our Board of Directors as on the date of filing of this Draft Red Herring Prospectus with SEBI:

Sr. No.	Name, Age, Fathers Name, Designation, Status, DIN, Address & Occupation of Director	Other Directorships	Date of Appointment & Term of Directorship
1)	Mr. Venu Myneni (44 years) S/o Mr. Srinivasa Rao Myneni Chairman & Managing Director Executive & Non Independent DIN: 01610752 5, Arrowhead Lane, Somerset, New Jersey - 08873 NA United States of America Business	<ul style="list-style-type: none"> ▪ Radiant Systems, Inc. ▪ Redwood Financial Technologies LLC ▪ Azoop, Inc. ▪ Radiant Info Limited, UK ▪ Myneni Foundation Inc. ▪ Myneni, Inc. ▪ Six Sides Properties LLC ▪ Brightway Capital Limited ▪ Redcomet Capital Limited ▪ Futureway Capital Limited 	Appointed as Chairman & Managing Director on January 28, 2008, w.e.f January 22, 2008 for a period of five years.
2)	Mr. Vinod Koduru (39 years) S/o Mr. Koduru Janardhan Reddy Vice-Chairman & Executive Director Executive & Non Independent DIN: 01145689 1, Arrowhead Lane, Somerset, New Jersey - 08873 NA United States of America Business	<ul style="list-style-type: none"> ▪ Radiant Systems, Inc. ▪ Redwood Financial Technologies LLC ▪ Azoop, Inc. ▪ Radiant Info Limited, UK ▪ Six Sides Properties LLC ▪ Brightway Capital Limited ▪ Redcomet Capital Limited ▪ Futureway Capital Limited 	Appointed as Whole-time Director on January 28, 2008, w.e.f January 22, 2008 for a period of five years.
3)	Mr. C. Narayanacharyulu (44 years) S/o Mr. Seshacharyulu Ananthapadmanabha Director Executive & Non Independent Director DIN: 01502870 A-503, Raheja Park Apartments, Magadi Main Road, Bangalore - 560 079. Business	<ul style="list-style-type: none"> ▪ Admirance Software Private Limited 	Appointed as Director on March 26, 2000. Liable to retire by rotation.
4)	Mr. V.V. Parthasarathy (65 years) S/o Mr. V.T. Vijayaraghavan Non Executive & Independent Director	<ul style="list-style-type: none"> ▪ Apollo Footwear Private Limited ▪ Hercules Footwear Private Limited ▪ Venus Footwear Private Limited ▪ Neptune Footwear Private Limited ▪ A Little World Private Limited 	Appointed as additional director on April 1, 2007. Appointed as Director on September 29,

Sr. No.	Name, Age, Fathers Name, Designation, Status, DIN, Address & Occupation of Director	Other Directorships	Date of Appointment & Term of Directorship
	DIN: 00237733 #55/6A, Banyan Cottage, Gubbalala, Subramanyapura Post, Bangalore - 560 061 Professional	▪ Watchdata Technologies (India) Private Limited	2007. Liable to retire by rotation
5)	Mr. M. N. Nambiar (68 years) S/o Mr. K.C. Nambiar Non Executive & Independent Director DIN: 00075177 Flat No. 601, Sashikiran Apartments, 18 th Cross, Malleshwaram, Bangalore - 560 055 Professional	Core Projects And Technologies Limited	Appointed as additional director on March 17, 2008. Liable to retire by rotation
6)	Mr.Venu Madhav Palaparathi (38 years) S/o Mr. Narasimha Murthy Palaparathi Non Executive & Independent Director DIN: 02148515 2, Coury Road, Hillsborough, NJ 08844 Service	▪ Indus Business Solutions	Appointed as additional director on March 29, 2008. Liable to retire by rotation

Brief Profile of Our Board of Directors

Mr. Venu Myneni, aged 44 years, is the Chairman and Managing Director of our Company. An Engineering graduate from the Andhra University, he completed his Master of Engineering (Mechanical Engineering) from the City College Grove School of Engineering, New York in 1995. Venu has worked in different positions with Companies like Hindustan Aeronautical Limited, Instrumentation Engineers, Automated Concepts, Inc., before starting Radiant Info Systems Limited. He has 22 years of experience in Management, Computer Programming, Engineering and Marketing. Venu has served on the Board of New Jersey Technology Council and was the Co-Chairman of Chief Information Officers' Council, US. In the year 1995 he founded Radiant Systems, Inc. and in the year 1997 he founded Radiant Info Systems Limited in India. Venu is overall incharge and oversees the strategic and business development functions of our organization.

Mr. Vinod Koduru, aged 39 years, is the Vice-Chairman and Executive Director of our Company. After graduating as an Electronics Engineer from Bangalore University, he completed his Masters in Science (Computer Science) from New York Institute of Technology in 1993. Vinod has more than 17 years of experience in Management, Engineering and Computer Programming. He started his career as a developer with the Administrative Staff College, and was also a consultant with Computer Systems Development, Inc. Vinod along with Venu co-founded Radiant Systems, Inc. in 1995, and later in 1997 promoted Radiant Info Systems Limited. At Radiant Vinod is overall incharge of project execution and the technical aspects.

Mr. C. Narayanacharyulu, aged 44 years, is the promoter director of our Company. He is having over 17 years of experience in multi-function roles including IT Software Product Sales, System Integration sales, Project Management etc. He also has experience in handling and coordinating turnkey projects involving both hardware and software. He has been associated with our Company since 1997. Having completed his Masters degree in Engineering from Anna University, Madras and Bachelors degree in Engineering from Jawaharlal Nehru Technological University, Narayanacharyulu oversees the business development and India operations. He has previously worked with companies such as Tata Consulting Engineers, Foresee Information Systems and Macmet India Ltd.

Mr. V.V. Parthasarathy, aged 65 years, is a non executive & independent director of our Company and has over four decades of experience. He was also the Managing Director of Gemplus India, a company involved in smart card technology. Mr. Parthasarathy has devoted a large part of his career in promoting awareness and utility of smart cards technology for a variety of applications. He was the founder President of Smart Card Forum of India (SCAFI), and is currently a member of the forum. He has been on the committee of Government of India, Ministry of Information Technology relating to smart cards. His in-depth knowledge and contacts specifically relating to the smart card business are of immense help to our Company.

Mr. M.N. Nambiar, aged 68 years, is a non executive & independent director of our Company. A Member of the Indian Revenue Service, he has served in various positions in the Income Tax Department. He has previously worked as Additional Commissioner of Income Tax, Mumbai, Under Secretary, Central Board of Direct Taxes, New Delhi, Chief Commissioner of Income Tax, Andhra Pradesh etc.

Mr. Venu Madhav Palaparthi, aged 38 years, is a non executive & independent director of our Company. He is serving as the Chief Compliance Officer of Instinet LLC, USA, a subsidiary of Nomura Holdings, Inc. Venu Madhav has previously worked as Vice President of Business Audit and Risk Assurance in Instinet, Director-Audit in Reuters, USA. He received MBA from University of Texas, Masters degree in Economics and Bachelors degree in Computer Science from Birla Institute of Technology & Science (BITS), Pilani.

Borrowing Powers of the Board

The Board of Directors of our Company has power to borrow up to Rs. 50,000 Lacs as per the members' resolution passed in the EGM of our Company held on February 11, 2007. The extract of the resolution of our Company authorizing the Board's borrowing powers is reproduced:

“RESOLVED THAT the consent of the Company be and is hereby granted in terms of the provisions of Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications(s) or re-enactment thereof, for the time being in force) to the Board of Directors to borrow monies for the business of the Company, whether unsecured or secured, in Indian or Foreign currency or by way of debentures / bonds or any other security(ies), from time to time from any Bank(s)/Financial Institution(s) or any other Institution(s), firms, body corporate(s) or other person(s), in India or abroad, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business provided that the sum(s) so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate of Rs. 500 crores (Rupees Five Hundred crores) over and above the aggregate of paid up capital and free reserves of the Company.”

We confirm that the borrowing powers of Directors are in compliance with the relevant provisions of Companies Act 1956.

Compensation to Managing Directors/Whole-Time Directors

Mr. Venu Myneni, Chairman and Managing Director

Our Chairman and Managing Director, Mr. Venu Myneni is not being paid any remuneration from our Company. Remuneration is paid to him from our subsidiary company Radiant Systems, Inc. For the year ending March 31, 2008, Mr. Venu Myneni has been paid a gross remuneration of Rs. 49.80 Lacs.

Mr. Vinod Koduru, Vice-Chairman & Executive Director

Our Vice-Chairman & Executive Director, Mr. Vinod Koduru is not getting any remuneration from our Company. Remuneration is paid to him from our subsidiary company Radiant Systems, Inc. For the year ending March 31, 2008, Mr. Vinod Koduru has been paid a gross remuneration of Rs. 49.80 Lacs.

Mr. C. Narayanacharyulu, Director

The gross remuneration of our Director, Mr. C. Narayanacharyulu as per resolution passed in the meeting of the Board of Directors held on June 6, 2006 is Rs. 25.91 Lacs.

Corporate Governance

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to Corporate Governance and the SEBI Guidelines in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges.

Our Company has taken necessary steps to implement the provisions of the Corporate Governance. The constitution of our Board of Directors is in compliance with the said provisions and it has the following necessary committees in place in compliance with the said provisions:

- a) Audit Committee
- b) Shareholders/Investor Grievance Committee
- c) Remuneration Committee

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has six Directors out of which three are independent directors in accordance with the requirement of clause 49 of the listing agreement of the stock exchanges.

Board Structure

Name & Designation	Nature of Directorship
Mr. Venu Myneni Chairman & Managing Director	Executive & Non Independent (Promoter Director)
Mr. Vinod Koduru Vice-Chairman & Executive Director	Executive & Non Independent (Promoter Director)
Mr. C. Narayanacharyulu Director	Executive & Non Independent (Promoter Director)
Mr. V.V. Parthasarathy Director	Independent & Non-Executive

Mr. M. N. Nambiar Director	Independent & Non-Executive
Mr. Venu Madhav Palaparthi Director	Independent & Non-Executive

Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act, 1956. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on March 29, 2008.

The terms of reference of Audit Committee complies with the requirements of Clause 49 of the listing agreement, which will be entered into with the Stock Exchange in due course. The committee consists of all three non-executive and independent directors.

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. M. N. Nambiar	Chairman	Independent & Non-Executive Director
2	Mr. V.V. Parthasarathy	Member	Independent & Non-Executive Director
3	Mr. Venu Madhav Palaparthi	Member	Independent & Non-Executive Director

Our Company Secretary, will act as the Secretary of the Committee.

The Terms of reference of the Audit Committee are given below:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management , the annual financial statements before submission to the board of approval , with particular references to;
 - a. Matters, required to be included in the Director's Responsibility statement be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc) the statement of funds utilized for purposes other than those stated in the offer document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the Matter to the board.
11. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.

Remuneration Committee

Our Company has constituted the Remuneration Committee. The re-constitution of the Remuneration Committee was approved by a meeting of the Board of Directors held on June 4, 2007.

Sr. No.	Name of the Director	Designation	Nature of Directorship
1)	Mr. V.V. Parthasarathy	Chairman	Independent & Non-Executive Director
2)	Mr. M. N. Nambiar	Member	Independent & Non-Executive Director
3)	Mr. Venu Madhav Palaparthi	Member	Independent & Non-Executive Director

Our Company Secretary, will act as the Secretary of the Committee.

The Remuneration Committee has been formed to decide and approve the terms and conditions for appointment of executive directors and/ or whole time directors and remuneration payable to other directors and matters related thereto.

Shareholders/ Investor Grievance Committee

Our Company has constituted a Shareholders/Investor Grievance Committee. The re-constitution of the Shareholders/ Investor Grievance Committee was approved by a meeting of the Board of Directors held on June 4, 2007.

Sr. No.	Name of the Director	Designation	Nature of Directorship
1)	Mr. V.V. Parthasarathy	Chairman	Independent & Non-Executive Director
2)	Mr. M. N. Nambiar	Member	Independent & Non-Executive Director
3)	Mr. C. Narayanacharyulu	Member	Non-Independent & Executive Director

Our Company Secretary, will act as the Secretary of the Committee.

The terms of reference of the Shareholders/Investors Grievance Committee are as follows:

- a) To approve the transfer of shares.
- b) To look after the matter relating to non-receipts of the refund orders, right entitlement, annual reports and other entitlements.

- c) To look after the matters relating to dematerialization and re-materialization of shares

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares on stock exchanges. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Srinivasa Sitharam A. Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

Code of Conduct for Directors and Senior Management Personnel

Our Board of Directors have approved and adopted the Code of Conduct for Directors and Senior Management Personnel in view of the proposed public issue. The code of conduct is available on website of our Company.

Shareholding of Directors including qualification shares, if any

As per the Article of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of this Draft Red Herring Prospectus.

Name & Designation	No. of Shares	% of Pre-Issue Paid-up Share Capital
Mr. Venu Myneni Chairman & Managing Director	38,94,708	27.97%
Mr. Vinod Koduru Vice-Chairman & Executive Director	29,38,114	21.10%
Mr. C. Narayanacharyulu Director	2,50,167	1.80%
Mr. V.V. Parthasarathy Director	--	--
Mr. M. N. Nambiar Director	--	--
Mr. Venu Madhav Palaparthi Director	--	--

Interest of Directors

Except as stated in the 'Related Party Disclosures' beginning on page [●] of this Draft Red Herring Prospectus, all our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

The Directors may also be regarded as interested in the shares, if any, held by them or that may be subscribed by and allotted/transferred to the companies, firms and trusts and other entities in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from.

Interest as to Property

We have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which our Directors are directly or indirectly interested and no payments have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made to them.

Directors Remuneration for the year ended March 31, 2008

Sr. No	Name of Director	Sitting Fees	Salaries / Perquisites	Commission	Total
1.	Mr. Venu Myneni*	--	49.80	--	49.80
2.	Mr. Vinod Koduru*	--	49.80	--	49.80
3.	Mr. C. Narayanacharyulu	--	30.31	--	30.31
4.	Mr. V.V. Parthasarathy	--	2.00	--	2.00
5.	Mr. M. N. Nambiar	--	--	--	--
6.	Mr. Venu Madhav Palaparthi	--	--	--	--
Total		--	131.91	--	131.91

* Paid by our wholly owned subsidiary Radiant Systems, Inc.

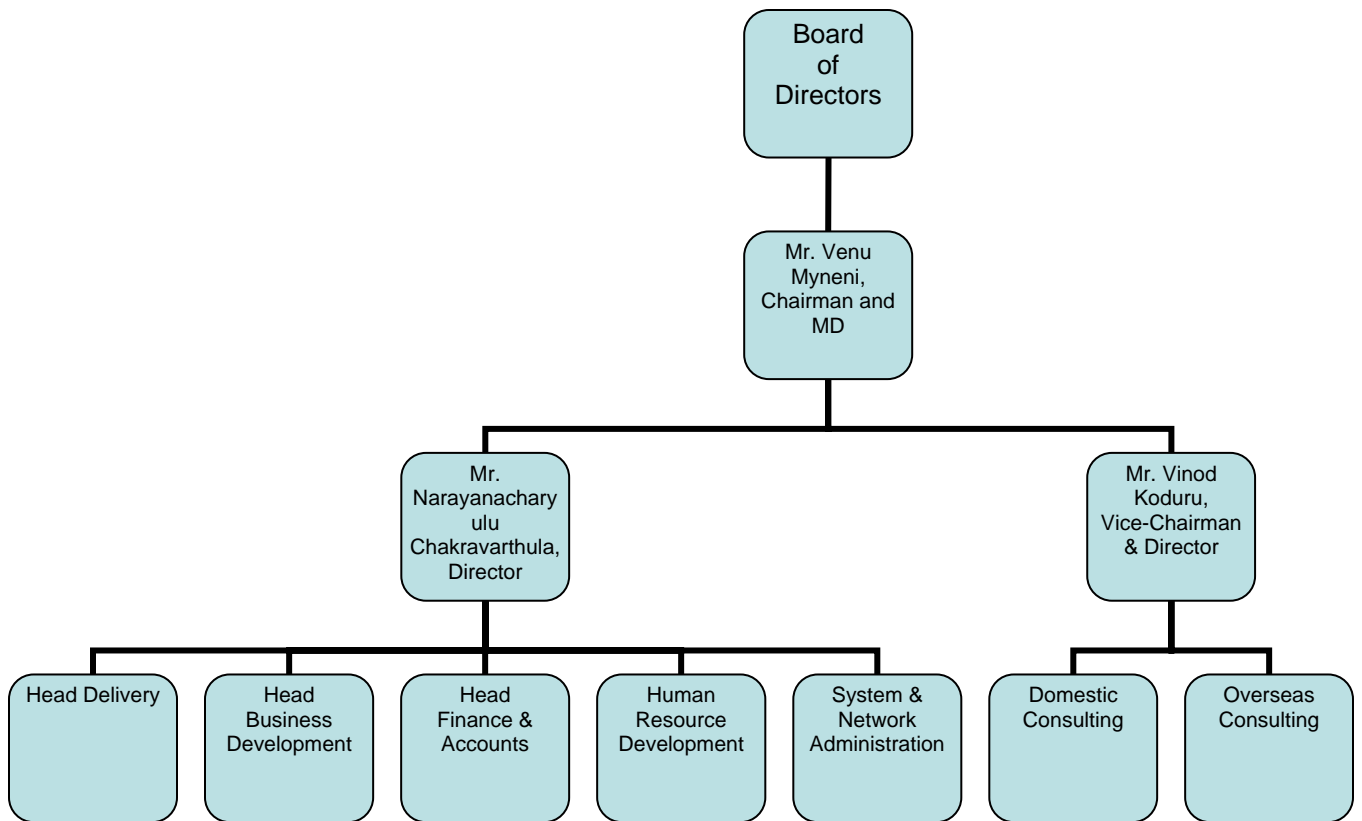
For details of payments or benefits paid to our executive directors, please refer to paragraph 'Compensation to Managing Directors/Wholetime Directors' in the section titled 'Our Management' on page [•] of this Draft Red Herring Prospectus.

Changes in the Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr. No.	Name of the Director	Date of Change	Reason for Change
1.	Mr. V.V. Parthasarathy	April 1, 2007	Appointed to Broad base the board
2.	Mr. M. N. Nambiar	March 17, 2008	Appointed to Broad base the board
3.	Mr. Venu Madhav Palaparthi	March 29, 2008	Appointed to Broad base the board

MANAGEMENT ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Sr. No.	Name, Age & Designation	Qualifications	Date of joining	Experience in years	Functional Responsibility	Previously employed with	Compensation Paid during last F.Y. (Rs. in Lacs)
1.	Mr. Neeraj Srivastava 35 Years, Head Delivery - Technologies	B.E. (E & E)	February 15, 2007	11	Incharge of delivery of Projects	Wipro Technologies	19.00
2.	Mr. Prashanth K.V. 31 Years, Asst. Manager- IT, Infrastructure & Support	B.Sc	January 04, 1999	09	Overall Incharge of IT, Infrastructure, Network & Data Centre	Started his career with Radiant Info Systems (P) Ltd.	7.98
3.	Mr. KiranKumar K N, 37 Years, Sr. Project Leader	B.E. (Electronics) & GNIIT from NIIT	July 01, 2003	12	Project Management, Design Development & Deployment Analysis, Designing Handling Demos for Clients, Integrated Testing	Started his career with Radiant Info Systems (P) Ltd.	6.64
4.	Mr. Sony M George, 38 Years, Sr. Technical Manager	B. Tech (Mechanical)	January 21, 2001	15	Planning & Scheduling, resource allocation, analysis, design and implementation Providing adequate technical support for the projects after going live Testing & bug fixing	Indian Aluminium Company Ltd.	10.74
5.	Mr. Jayaprakash N. S. 29 Years, Sr. Project Leader	MCA, BSc	July 08, 2004	8	Project Management, Usability and accessibility solutions, requirement gathering, client Interaction	Newline	6.31
6.	Mr. Abi V John, 39 Years, Head -Business Development	B.E. (Industrial & Production)	November 03, 2004	16	Overall Incharge for Strategies for Marketing Team	Tata Infotech Limited	18.53
7.	Anupama Jain, 35 Years, Asst. Manager - HR	B.Sc.	May 2, 2002	10	Overall Incharge for HR & Admin	Global Edge Software Limited	3.98
8.	Mr. Ramesh Umapathie, 37 Years,	M.Com	October 01, 2004	12	Responsible for core accounting, statutory	Reliance Infocomm Limited	5.82

	Manager- Finance				compliances and MIS reporting		
9.	Mr. Satish Anand, 39 Years, Manager - Finance	B.Com	May, 10, 2007	15	Responsible for Overall Core Financial activities	Ilantus Technologies Private Limited	5.63
10.	Mr. Y. Kishan, 39 Years, Sr. Database Admin	BE (Instrumentation Technology)	March 23, 2006	8	Responsible for DB2 database operations	NIMHANS	6.33
11.	Mr. Ravindra V Pattar, 32 Years, Sr. Manager- Consulting	B.A., PG Diploma in HR	November 19, 2007	10	Responsible for Overall Local Consulting Business Practice	Synchro Management Consultants Pvt. Ltd.	2.14
12.	Mr. Sunil Amber Bajpai, 57 Yrs, VP- Operations	M S (Resi) Computer Science	May 05, 2008	30	Head - Operations India	Sun Micro Systems India Pvt Ltd	Nil
13.	Mr. C S Sheshadri, 52 yrs VP- (Transport Practice)	MSc, PGDCA	June 23, 2008	28	Head - Transport Logistics	Bangalore University - Research Assistant, Depart of Statistics Chief Systems Manager in KSRTC	Nil
14.	Mr. Srinivasa Sitharam A , 30 Yrs, Company Secretary	B.Com, ACS	July 14, 2008	1	Responsible for Secretarial work	Domus Holdings Pvt. Limited	Nil

Brief profile of KMPs

1. **Mr. Neeraj Srivastava**, aged 35 Years, is the Head Delivery - Technologies of our Company. He has done his Bachelor of Engineering in Electrical & Electronics from Karnatak University, Dharwad and is pursuing his MBA from Symbiosis, Pune. He was previously associated with Wipro Technologies Limited. With 11 years of experience, he is incharge of the Delivery of projects in our Company. The gross remuneration paid to Mr. Neeraj Srivastava during the last financial year was 19 lacs.
2. **Mr. Prashanth K.V.**, aged 31 Years, is associated as an Assistant Manager- IT, Infrastructure & Support with our Company. He has done his BSc in Electronics, Maths, Physics from Bangalore University. He started his career with Radiant Info Systems (P) Ltd in the year 1999. He is incharge of the IT, Infrastructure, Network, Data Centres in our Company. The gross remuneration paid to Mr. Prashanth K.V. during the last financial year was 7.98 Lacs.
3. **Mr. Kiran Kumar K N**, aged 37 Years, is a Sr. Project Leader in our Company. He is a BE (Electronics) from Bangalore University and GNIIT from NIIT. He started his career with

Radiant Info Systems (P) Ltd. He is responsible for analysis, Designing, handling Demos for clients, Integrated Testing and Implementation of the projects. The gross remuneration paid to Mr. KiranKumar K N during the last financial year was 6.64 Lacs.

4. **Mr. Sony M. George**, aged 38 Years, is the Sr. Technical Manager in our Company. He has done his B.Tech (Mechanical) from the University of Kerela. He has also completed his Oracle Java Technology Course conducted by Oracle. He was previously associated with Indian Aluminium Company Ltd. He is responsible for Planning & Scheduling, resource allocation, analysing, designing and implementation of projects. The gross remuneration paid to Mr. Sony M. George during the last financial year was 10.74 Lacs.
5. **Mr. Jayaprakash N S**, aged 29 Years, is the Sr. Project Leader in our Company. He has done his MCA from Indira Gandhi National Open University and B.Sc. from Bangalore University. He was previously associated with Newline. He is responsible for Project Management, solutions for its Usability and accessibility, gathering requirement and interaction with the clients. The gross remuneration paid to Mr. Jayaprakash N.S. during the last financial year was 6.31 Lacs.
6. **Mr. Abi V John**, aged 39 years, is the Head of the Business Development in our company. He has done his B.E. (Industrial & Production) from Bangalore University and was previously associated with Tata Infotech Limited. He is the Overall Incharge for Strategies for Marketing Team in our Company. The gross remuneration paid to Mr. Abi V John during the last financial year was 18.53 Lacs.
7. **Ms. Anupama Jain**, aged 35 Years, is the Assit. Manager- HR in our company. She has done her BSc and Post Graduate Diploma in Human Resource Management. She was previously associated with Global Edge Software Limited. She is the overall incharge for admin and HR In our Company. The gross remuneration paid to Ms. Anupama Jain during the last financial year was 3.98 Lacs.
8. **Mr. Ramesh Umapathie**, aged 37 Years, is the Manager- Finance in our Company. He has done his Masters in Commerce from Madras University. He was previously associated with Reliance Infocomm Limited. He is responsible for core accounting, statutory compliances and MIS reporting in our Company. The gross remuneration paid to Mr. Ramesh Umapathie during the last financial year was 5.82 Lacs.
9. **Mr. Satish Anand**, aged 39 Years, is the Manager- Finance of our Company. He has done his Bachelors of Commerce from Bangalore University and has also completed his Diploma in Advanced Accountancy from National Institute of Computer Technology, Bangalore. He is responsible for Overall Core Financial Activities in our Company. He was previously associated with Ilantus Technologies Private Limited. The gross remuneration paid to Mr. Satish Anand during the last financial year was 5.63 lacs.
10. **Mr. Y. Kishan**, aged 39 Years, is the Senior Database Manager in our Company. He has done his BE (Instrumentation Technology) from University of Mysore. He was previously associated with National Institute of Mental Health and Neuro Sciences (NIMHANS), Bangalore. He is responsible for DB2 database operations in our Company. The gross remuneration paid to Mr. Krishna Y during the last financial year was 6.33 lacs.
11. **Mr. Ravindra V. Pattar**, aged 32 Years, is the Sr. Manager- Consulting in our Company. He has done his B.A. (Economics) from Christ College Bangalore and Post Graduation Diploma in Human Resource from Regional Institute of Co-operative Management, Bangalore. He looks after the overall Local Consulting Business in our Company. He was the principal Consultant & Co- founder of the Synchro Management Consultants Pvt. Ltd which provides

consultancy in the area of IT. The gross remuneration paid to Mr. Ravindra V. Pattar during the last financial year was 2.14 lacs.

12. **Mr. Sunil Amber Bajpai**, aged 57 years, is the Vice President -Operations in our Company. He has completed M.S in Computer Science from University of Manchester. He is presently heading the India operations of our Company. He was earlier working in Sun Micro Systems India Pvt Ltd, Sun Micro Systems Hyderabad Pvt. Ltd.
13. **Mr. C S Sheshadri**, aged 52 years is the Vice President-Transport Practice in our Company. He has completed his Master of Science in Statistics from Bangalore University and has also completed his Post Graduate Diploma in Computer Application from Madurai Kamaraj University. He is presently heading the Transport Logistics vertical of our Company. He was earlier working in Department of Statistics, Bangalore University as Research Assistant and as Chief Systems Manager in Karnataka State Road Transport Corporation.
14. **Mr. Srinivasa Sitharam A**, aged 30 years is the Company Secretary of our Company. He is presently responsible for secretarial work in our Company. He has completed his Bachelor's degree in commerce from Nagarjuna University, Andhra Pradesh. He is also an Associate member of the Institute of Company Secretaries of India. He was earlier working with Domus Holdings Pvt. Ltd.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus

Bonus or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus/profit sharing plan for any of the employees, directors, key managerial personnel.

Changes in the Key Managerial Personnel during last 3 years

Sr. No	Name & Designation	Date of appointment	Date of Resignation	Reason
1.	Ms. Rekha S N	08-09-2003	23-9-2005	Resigned
2.	Mr. Amit Baldwa	07-04-2003	27-1-2006	Resigned
3.	Mr. Dawn Mathew	10-06-2004	18-3-2006	Resigned
4.	Mr. Girish M R	03-01-2005	16-6-2006	Resigned
5.	Mr. Murali Narayanamurthy	11-09-2006	16-8-2007	Resigned
6.	Mr. Y. Kishan	23-03-2006	--	Joined
7.	Mr. Neeraj Shrivastava	15-02-2007	--	Joined
8.	Mr. Satish Anand	10-05-2007	--	Joined
9.	Mr. Ravindra V	19-11-2007	--	Joined
10.	Mr. Sunil Amber Bajpai	05-05-2008	--	Joined
11.	Mr. C S Sheshadri	23-06-2008	--	Joined
12.	Mr. Srinivasa Sitharam A	14-07-2008	--	Joined

Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

We confirm that the Promoters/Directors of our Company do not have any relationship whatsoever with any of our Key Managerial Personnel.

ESOP/ESPS scheme

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or Benefit to our Officers

Except for the statutory benefits upon termination of their employment, payment of salaries and yearly bonus, we do not provide any other benefit to our employees.

PROMOTERS AND THEIR BACKGROUND

The Promoters of our Company are Mr. Venu Myneni, Mr. Vinod Koduru and Mr. C. Narayanacharyulu



MR. VENU MYNENI

Identification Particulars	Details
Driving License No	K9667 76300 08631 (New Jersey - Motor Vehicle Commission)
Passport No	097333419
PAN	ALWPM8197P
Voter Id	N.A.

Mr. Venu Myneni, aged 44 years, is the Chairman and Managing Director of our Company. An Engineering graduate from the Andhra University, he completed his Master of Engineering (Mechanical Engineering) from the City College Grove School of Engineering, New York in 1995.

Venu has worked in different positions with Companies like Hindustan Aeronautical Limited, Instrumentation Engineers, Automated Concepts, Inc, before starting Radiant Info Systems Limited. He has 22 years of experience in Management, Computer Programming, Engineering and Marketing. Venu was among the finalists for 'Entrepreneur of the year' award sponsored by USA Today, in the year 2001. Venu has served on the Board of New Jersey Technology Council and was the Co-Chairman of Chief Information Officers' Council, US. In the year 1995 he founded Radiant Systems, Inc. and in the year 1997 he founded Radiant Info Systems Limited in India. Venu is overall incharge and oversees the strategic and business development functions of our organization.



MR. VINOD KODURU

Identification Particulars	Details
Driving License No	K6096 77000 05681 (New Jersey - Motor Vehicle Commission)
Passport No	096034617
PAN	ANPPK2990K
Voter Id	N.A.

Mr. Vinod Koduru, aged 39 years, is the Vice-Chairman and Executive Director of our Company. After graduating in B.E. Electronics from Bangalore University, he completed his MS in Computer Science from New York Institute of Technology in 1993. Vinod has more than 15 years of experience in Management, Engineering and Computer Programming. He started his career as a developer with the Administrative Staff College, and was also a consultant with Computer Systems Development, Inc.

Vinod along with Venu co-founded Radiant Systems, Inc. in 1995, and later in 1997 co-promoted Radiant Info Systems Limited. At Radiant Vinod is overall incharge of project execution and the technical aspects.



MR. C. NARAYANACHARYULU

Identification Particulars	Details
Driving License No	5268/8
Passport No	G3683024
PAN	AAGPN2011C
Voter Id	DBC2056067

Mr. C. Narayanacharyulu, aged 44 years, is the promoter director of our Company. He has over 17 years of experience in multi-function roles including IT Software Product Sales, System Integration sales, and Project Management. He also has experience in handling and coordinating turnkey projects involving both hardware and software. He has been associated with our Company since 1997. He has completed his Masters degree in Engineering from Anna University, Madras and Bachelors degree in engineering from Jawaharlal Nehru Technological University. He mainly looks after India operations and business development in our Company. He has previously worked with companies such as Tata Consulting Engineers, Foresee Information Systems and Macmet India Ltd.

Note: The Permanent Account Number, Bank Account details and Passport Number of our Promoters have been submitted to Bombay Stock Exchange Limited and The National Stock Exchange of India Limited (NSE), on which our Company proposes to list its Equity Shares at the time of filing of this Draft Red Herring Prospectus.

Common Pursuits

Some of our group companies viz. Admirance Software Private Limited and Radgov Solutions (India) Private Limited have objects similar to that of our Company. The above mentioned group concerns are not carrying any business activity.

Our Company has entered into a non-compete agreement on account of common pursuits followed by Radgov, Inc. dated March 18, 2008. For more details on this agreement please refer to the section 'Our History and Certain Corporate matters' beginning on page [●] of this Draft Red Herring Prospectus.

Interest of Promoters

Our promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company. Further, all our Promoters, being Executive Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the Articles.

The Chairman, Vice Chairman and Wholetime Directors are interested to the extent of remuneration paid to them for services rendered to us. Further, the Promoters are interested to the extent of equity shares that they are holding and or allotted to them out of the present Issue, if any, in terms of the Draft Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated hereinabove and as stated in 'Related Party Transactions' appearing under section titled 'Financial Information' beginning on page [●] of this Draft Red Herring

Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Payment or Benefit to our Promoters

For details of payments or benefits paid to the promoters, please refer to the paragraph 'Compensation to Managing Directors/Whole time Directors' in the section titled 'Our Management' in this Draft Red Herring Prospectus.

Disassociation Details

Our Promoters have not disassociated themselves from any of the companies/firms during preceding three years.

Sales or Purchase between companies in the Promoter Group

There have been no sales or purchases between companies in the Promoter Group of our Company exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except the sale to our subsidiary company, Radiant Systems, Inc. For FY 2008, our company recorded a turnover of Rs. 1581.86 lacs with Radiant Systems, Inc., USA.

Related Party Transactions

The details of related party transactions have been disclosed as a part of the Auditors Report. For details, please refer page [●] of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten Lacs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million and the word “trillion” means “One thousand billion”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout this Draft Red Herring Prospectus, all the figures have been expressed in Lacs of Rupees, except when stated otherwise. All references to “Rupees” and “Rs.” in this Draft Red Herring Prospectus are to the legal currency of India.

DIVIDEND POLICY

Dividends may be declared at the Annual General Meeting of the shareholders based on a recommendation by the Board of Directors. The Board of Directors may recommend dividends, at its discretion, to be paid to the members. Generally the factors that may be considered by the Board, but not limited to, before making any recommendations for the dividend include future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds from alternate sources, liquidity, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and money market conditions. Our Company has not paid any dividends during the past 5 years.

SECTION VII - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITOR'S REPORT

The Board of Directors
Radiant Info Systems Limited
No.2227/1, Division No.52A,
BSK II Stage,
Bangalore - 560 070.

A.

- a) We have examined the annexed financial information of RADIANT INFO SYSTEMS LIMITED for the year ended 31st March, 2008 and financial year ended 31st March 2007, 31st March 2006, 31st March 2005, and 31st March 2004.
- b) In accordance with the requirements of
 - (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act")
 - (ii) The Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance of Section 11 of Securities Exchange Board of India Act, 1992; and related amendments and
 - (iii) Our terms of reference with the company dated 12-07-2008 requesting us to carry out work in connection with the Offer Document as aforesaid.

We report that the restated assets and liabilities of the Company as at 31st March 2008, 31st March 2007, 31st March 2006, 31st March 2005, and 31st March 2004 are as set out in 'Annexure 1' to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in 'Annexure 3' and Notes to the Statement of Assets & Liabilities and Profit & Loss Account appearing in 'Annexure 4' to this report.

We report that the restated profits of the Company for the year ended 31st March 2008, 31st March 2007, 31st March 2006, 31st March 2005, and 31st March 2004 are as set out in 'Annexure 2' to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in 'Annexure 3' and Notes to the Statements of Assets and Liabilities and Profit and Loss Account appearing in 'Annexure 4' to this report.

- B. We have examined the following financial information relating to the Company proposed to be included in the Offer document, as approved by you and annexed to this report.
 - i. Notes to Adjustments in Restated Financial Statements 'Annexure 5' to this report.
 - ii. Details of changes in Significant Accounting Policies as given in 'Annexure 6' to this report.
 - iii. Details of qualifications appearing in the audit report as given in 'Annexure 7' to this report.
 - iv. Statement of Cash Flow as appearing in 'Annexure 8' to this report.
 - v. Accounting Ratios as appearing in 'Annexure 9' to this report.
 - vi. Statement of dividends as appearing in 'Annexure 10' to this report.

- vii. Statement of Unsecured Loans taken including that from related parties enclosed as 'Annexure 11' to this report.
- viii. Capitalization Statement as appearing in 'Annexure 12' to this report.
- ix. Statement of Tax Shelter as appearing in 'Annexure 13' to this report.
- x. Statement of Secured Loans as appearing in 'Annexure 14' to this report.
- xi. Statement of Investments as appearing in 'Annexure 15' to this report.
- xii. Statement of Debtors including the related party debtors enclosed as 'Annexure 16' to this report.
- xiii. Details of Loans and Advances as given in 'Annexure 17' to this report.
- xiv. Statement of Other Income as appearing in 'Annexure 18' to this report.
- xv. Details of transactions with Related Parties as appearing in 'Annexure 19' to this report.
- xvi. Details of Contingent Liabilities as appearing in 'Annexure 20' to this report.

- C. a) In our opinion the financial information of the company as stated in Para A and B above read with Significant Accounting Policies enclosed in 'Annexure 3' to this report, after making adjustments/restatements and regrouping as considered appropriate and subject to certain matters as stated in Notes to the statements, has been prepared in accordance with Part II of Schedule II of the Act and we have complied with the clause 6.10.2.7 of the SEBI Guidelines.

In terms of Clause 6.10.2.7 (b) of the SEBI (DIP) Guidelines and other provisions relating to accounts of the RADIANT INFO SYSTEMS LIMITED, we hereby confirm that statements of Assets and Liabilities and Profit and Loss or any other financial information have been incorporated in the offer document after making the following adjustments, wherever quantification is possible.

- 1) Adjustments / Rectification for all incorrect accounting practices or failures to make provisions or other adjustments which resulted in audit qualifications.
- 2) Material amounts relating to adjustments for previous years has been identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit and loss occurred.
- 3) Where there has been a change in accounting policy, the profits or losses of the earlier years (required to be shown in the prospectus) and of the year in which the change in the accounting policy has taken place has been recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years.
- 4) If an incorrect accounting policy is followed, the re computation of the financial statement has been in accordance with correct accounting policies.
- 5) Statement of profits or loss discloses both, the profits or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.
- 6) The statements of Assets and Liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the Net Worth arrived at after such deductions.

b) This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For P. MURALI & CO.
CHARTERED ACCOUNTANTS
M.V. Joshi
Partner
Membership No. 24784
Place: Hyderabad

Date: July 12, 2008

ANNEXURE - 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lacs)

	PARTICULARS	AS AT				
		31/03/08	31/03/07	31/03/06	31/03/05	31/03/04
A)	FIXED ASSETS					
	Gross Block	664.46	572.44	276.29	156.26	142.01
	Less: Depreciation	203.97	120.90	79.17	60.73	45.15
	NET BLOCK	460.49	451.54	197.12	95.53	96.86
	Capital Work in Progress	-	-	-	-	-
	TOTAL FIXED ASSETS (A)	460.49	451.54	197.12	95.53	96.86
B)	INVESTMENTS (B)	680.00	-	1.00	-	-
C)	CURRENT ASSETS, LOANS & ADVANCES					
	Inventories	3.21	5.84	49.76	38.08	29.71
	Sundry Debtors	1642.40	764.63	83.24	45.88	45.30
	Cash & Bank Balance	11.67	24.68	77.26	20.53	11.83
	Loans & Advances	224.69	147.76	174.32	38.68	44.20
	TOTAL (C)	1,881.97	942.91	384.58	143.17	131.04
D)	LIABILITIES & PROVISIONS					
	Secured Loans	147.06	59.77	29.27	27.86	14.93
	Un Secured Loans	-	15.00	60.79	-	-
	Deferred Tax Liability	61.79	43.11	10.98	11.04	10.29
	Advances received against Export	--	-	128.31	53.72	106.15
	Current Liabilities	337.09	575.16	266.92	96.35	54.05
	Provision for Taxation	111.31	8.23	0.58	-	0.01
	Provision Others	94.82	41.60	19.98	8.12	3.72
	TOTAL (D)	752.07	742.87	516.83	197.09	189.15
E)	NET WORTH (A+B+C- D)	2,270.39	651.58	65.87	41.61	38.75
F)	Represented By :					
1)	Share Capital					
	- Equity Share Capital	*1,392.27	*409.96	5.00	5.00	5.00
	- Preference Share Capital	-	-	-	-	-
	Less : Call in Arrears	-	-	-	-	-
	TOTAL	1,392.27	409.96	5.00	5.00	5.00
2)	Share Application Money					
	- Equity Share Capital	-	-	-	-	-
	- Preference Share Capital	-	-	-	-	-
	TOTAL	-	-	-	-	-
3)	Reserves & Surplus	1,086.88	326.62	60.87	36.61	33.75
	Add: Share Premium	74.58	-	-	-	-
	Less: Capitalization of issue of bonus shares	283.34	85.00	-	-	-
	Net Reserves & Surplus	878.12	241.62	60.87	36.61	33.75
4)	Miscellaneous Expenditure	--	-	-	-	-
5)	Debit balance in P & L a/c	-	-	-	-	-

	NET WORTH (1+2+3- 4-5)	2270.39	651.58	65.87	41.61	38.75
--	--------------------------------	----------------	---------------	--------------	--------------	--------------

* The Share Capital as at 31st March, 2008, includes bonus shares issued for Rs.283.34 Lacs

* The Share Capital as at 31st March, 2007, includes bonus shares issued for Rs.85.00 Lacs

ANNEXURE - 2

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

		(Rs in Lacs)				
	PARTICULARS	FOR THE YEAR ENDED				
		31/03/08	31/03/07	31/03/06	31/03/05	31/03/04
A)	INCOME					
	Export Sales	2012.93	677.37	343.12	334.25	83.36
	Domestic Sales	769.36	935.70	388.19	94.44	127.49
	Less: Excise Duty	-	-	-	-	-
	Net Sales	2782.29	1613.07	731.31	428.69	210.85
	Other Income	1.51	6.21	4.42	0.25	11.06
	Increase / (Decrease) of Stock	(2.69)	(43.73)	42.40	(11.80)	12.94
	TOTAL (A)	2781.11	1575.55	778.13	417.14	234.85
B)	EXPENDITURE					
	Raw Materials Consumed	188.77	282.38	123.15	28.07	63.02
	Operating and other Expenses	51.47	21.12	25.19	14.72	11.81
	Staff cost	985.17	623.43	322.87	201.77	83.25
	Administrative & Other Expenses	474.27	265.61	231.65	127.30	59.52
	Restated- Adjustment for Administrative Exp.	-	18.32	21.31	21.44	2.81
	TOTAL (B)	1699.68	1210.86	724.17	393.30	220.41
C)	Profit before Interest, Depreciation and Tax	1081.43	364.69	53.96	23.84	14.44
	Depreciation	83.72	62.89	19.13	12.68	15.35
	Restated- Adjustment for Depreciation	-	(24.36)	(0.69)	2.90	(1.48)
	Profit before Interest & Tax	997.71	326.16	35.52	8.26	0.57
	Financial Charges	13.45	8.35	7.13	4.65	1.29
D)	Profit/(Loss) after Interest & before Tax	984.26	317.81	28.39	3.61	(0.72)
	Preliminary Expenses w/o	--	4.40	-	-	-
E)	Profit/(loss) before Taxation	984.26	313.41	28.39	3.61	(0.72)
	Provision for Taxation	111.31	-	-	-	0.01
	Restated-Adjustment Provision for Taxation	--	8.23	0.58	-	-
	Provision for Deferred Income Tax Liability / (Asset)	18.68	18.26	(3.02)	1.75	0.21
	Restated- Adjustment for Deferred Tax	-	13.87	2.96	(1.00)	1.54
	Provision for FBT	9.01	7.30	3.61	-	-
F)	Profit/(Loss) after Tax but before Extra ordinary items	845.26	265.75	24.26	2.86	(2.48)
G)	Profit/(Loss) after Extraordinary items	845.26	265.75	24.26	2.86	(2.48)
	Surplus Profit of earlier years	241.62	60.87	36.61	33.75	40.31
	Restated- Adjustment for	--	-	-	-	9.36

	depreciation recalculation					
	Restated- Prior Period Expenses					(10.74)
	Restated-Deferred Tax Liability	--				(2.70)
H)	Net Profit Available for Appropriation	1086.88	326.62	60.87	36.61	33.75
	Proposed Dividend		-	-	-	-
	Tax on Proposed Dividend		-	-	-	-
	Transferred to General Reserve		-	-	-	-
	Balance Carried Forward to Balance Sheet	1086.88	326.62	60.87	36.61	33.75

ANNEXURE 3

SIGNIFICANT ACCOUNTING POLICIES

(1) AS - 1 SYSTEM OF ACCOUNTING

- (a) These accounts are prepared on the historical cost basis except and on the accounting principles of a going concern.
- (b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles

(2) AS-6 Depreciation

Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in schedule XIV of companies Act, 1956 on straight-line basis.

(3) AS-9 REVENUE RECOGNITION

The Contracts between the company and its customers are either, time and material contracts of fixed price contracts.

Revenue from fixed -price contracts is recognized according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.

In respect of time and material contract, revenue is recognized in the period in which the services are provided. Revenue from product sale and licensing arrangements are recognized on delivery and installation.

OTHER INCOME

Other incomes are recognized on an accrual basis.

(4) AS-10 FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation.

(5) AS-11 FOREIGN CURRENCY TRANSACTIONS

Current Assets and Liabilities denominated in foreign currency will be translated at the rate of exchange prevailing as at Balance Sheet date. Income and expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.

Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit and Loss Account except in respect of acquisition of fixed assets.

(6) AS-13 INVESTMENTS

Long term investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Current investments are stated at lower of cost and quoted/fair value computed category wise.

(7) AS-14 ACCOUNTING FOR AMALGAMATIONS

The Accounting Standard regarding merger is not applicable to the company.

(8) AS-15 RETIREMENT BENEFITS

Company's contribution to Provident Fund and ESI are charged to Profit and Loss Account. Provision for Gratuity and Leave Encashment Benefits are made in the respect of employees on the basis of actuarial valuation as per AS 15 (revised 2005).

(9) AS-17 SEGMENT REPORTING

The activities of the Company can be broadly classified into two segments, viz., Software Development and Services in the Domestic Division and Exports Division.

The Domestic division engages in software development and implementation, setting up and managing IT Infrastructure, IT enabled services and consulting. The company's clients in the division primarily belong to government, transportation, banking, and manufacturing sectors.

The Exports division is engaged in software development and services in the areas of BFSI, Telecom, Transportation & Logistics, Pharma & Health Care Services.

Income and direct expenses relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of cost are apportioned on appropriate basis. Certain expenses which are not specifically allocable to individual segments as the relevant services are used interchangeably. The company therefore believes that it is not practical to provide segment disclosures relating to such expenses in accordingly they are separately disclosed as unallocable and directly charged against total income.

The assets of the company are used interchangeably between segments, and the management believes that it is not practical to provide segment disclosure relating to total assets and liabilities.

(10) AS-19 LEASES

Assets taken on lease under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses.

(11) AS-22 ACCOUNTING FOR TAXES

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset and liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

(12) AS-26 ACCOUNTING FOR INTANGIBLE ASSETS

During the year the company has changed its accounting policy in respect of Pre-operative expenses to comply with the Accounting Standard (AS26) "Intangible Asset", which is now fully written in respective years.

(13) EARNING PER SHARE

The earning considered in ascertaining the company's earning per share comprises net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

(14) PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

A provision is recognized when an enterprise has present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet dated. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

ANNEXURE 4

NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1) Share Capital:

- i The Equity Share Capital of the company as on 31st March, 2008 includes bonus equity shares of 28,33,383 of Rs. 10/- each fully paid up issued by capitalization of profits as approved by the share holders in the Extraordinary General Meeting held on 22nd Oct, 2007.
- ii During the year the Company has issued 68,00,000 Equity Shares of Rs.10/- each fully paid up, to the shareholders of Radiant Systems, Inc., USA, by way of Swap of shares in the ratio of 1:1 in consideration of acquiring the business of Radiant Systems, Inc., USA, in terms of the approval from the FIPB vide their letter No. FC.II (2008)/377(2007) dated 8th Feb, 2008.

- 2) Number of Employees in respect of remuneration of Rs. 24,00,000/- per annum or more if employed throughout the financial year (or Rs. 2,00,000/- per month if employed for the part of the period) is two.

Mr. C. Narayanacharyulu (Director)	Rs. 30.30 Lacs.
Mr. Murali Narayana Murthy (01.04.07 to 31.07.07)	Rs. 8.46 Lacs

- 3) In the opinion of the Board of Directors all the Current assets, Loans and Advances have a value on a realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. (The bal. of Sundry Debtors, loans & Advances and other Current Assets are subject to confirmations)
- 4) The Company has initiated the process of identifying the enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Small and Medium Enterprises Development Act, 2006 and sent letters in this regard. The responses are still awaited, accordingly the disclosure in respect of amount payable to such enterprises as on 31st March, 2008 have not been made in the financial statements.

- 5) During the year the Company has made provisions for Gratuity, Leave Encashment etc., as per AS 15 (R). The details of the same are as follows:

Particulars	Amount (Rs.)
Gratuity	5,32,183
Bonus	3,21,249
L.T.A.	17,71,445
Leave Encashment	13,91,405

- 6) During the year the Company has issued 68,00,000 Equity Shares of Rs.10/- each fully paid up to the shareholders of Radiant Systems, Inc., USA, under the swap ratio of 1:1 for acquiring 100% ownership of Radiant Systems, Inc., as per the permission obtained from the Govt. of India FIPB, New Delhi, vide their letter No.FCII.11(2008)377(2007) dt. 8th Feb. 2008. In respect of the remaining 200 shares in the said Company, our Company has made an application on 21.2.2008 for acquisition, which were acquired on April 16, 2008, vide FIPB approval No. FC II. 11(2008)377(2007) dt. 15th April, 2008. Hence, no minority interest has been recognized as of 31.3.2008.

7) **Auditors Remuneration**

(Rs. In Lacs)	
Particulars	31/03/08
Statutory Audit Fees	0.75
Tax Audit Fee	0.25
Reimbursement of Expenses & ST	
TOTAL	1.00

8) **Managerial Remuneration:**

Remuneration paid or provided in accordance with Sec 198 of the Companies Act, 1956 to Managing Director and Director is as follows:

Mr. Venu Myneni, Chairman & Managing Director

(Rs. In Lacs)	
PARTICULARS	31/03/08
Basic Salary	NIL
HRA	NIL
Other Allowances	NIL
Commission	NIL
Total	NIL

Mr. Vinod Koduru , Vice Chairman & Executive Director

(Rs. In Lacs)	
PARTICULARS	31/03/08
Basic Salary	NIL
HRA	NIL
Other Allowances	NIL
Commission	NIL
TOTAL	NIL

Mr. C. Narayanacharyulu, Director

(Rs. In Lacs)	
PARTICULARS	31/03/08
Basic Salary	7.50
HRA	3.75
Other Allowances	19.05

TOTAL	30.30
--------------	--------------

Mr. V.V. Partha Sarathy, Independent Director

(Rs. In Lacs)

PARTICULARS	31/03/08
Remuneration	2.00
TOTAL	2.00

Mr. V. V Paratha Sarathy has been appointed as a director on 1st April, 2007

Mr. M.N. Nambiar, Independent Director

(Rs. In Lacs)

PARTICULARS	31/03/08
Basic Salary	NIL
HRA	NIL
Other Allowances	NIL
Commission	NIL
TOTAL	NIL

Mr. M.N. Nambiar has been appointed as a director on 17th March, 2008

Mr. Venu Madhav Palaparathi, Independent Director

(Rs. In Lacs)

PARTICULARS	31/03/08
Basic Salary	NIL
HRA	NIL
Other Allowances	NIL
Commission	NIL
TOTAL	NIL

Mr. Venu Madhav Palaparathi has been appointed as a director on 29th March, 2008

9. DETAILS OF QUANTITATIVE INFORMATION

	31.03.08		31.03.07		31.03.06		31.03.05		31.03.04	
PARTICULARS	Qty Nos	Rs. Lacs	Qty Nos	Rs. Lacs	Qty Nos	Rs. Lacs	Qty Nos	Rs. Lacs	Qty Nos	Rs. Lacs
Opening Stcok										
Finished Goods										
IT Products	2	1.82	1	6.21	1	0.78				
Smart cards Readers	399	3.28	429	1.53	4188	17.42	3263	8.58	261	4.93
Other Materials	1267	0.66	57	2.68	2209	12.79	1438	2.24	49	1.15
Raw Material	65	0.08	1126	0.27	--	7.09		18.89		5.95
TOTAL	1733	5.84	1613	10.69	6398	38.08	4701	29.71	310	12.03
PURCHASES										
IT Products		29.43	6	247.55	1	60.00	1	6.00	--	1.22
Smart cards Readers	222092	110.74	2021	20.74	5947	11.08	8241	15.75	36793	61.14
Other Materials	3327	48.65	9301	13.90	8037	21.34	1245	26.49	9352	5.39
TOTAL	225419	188.82	11328	282.19	13985	92.42	9487	48.24	46145	67.75
SALES										
IT Products	2	51.62	5	398.91	1	125.36		17.70		
Smart cards Readers	222365	144.85	3113	29.55	8565	29.06	7316	14.07	33793	82.95

Other Materials	3547	84.38	8090	40.50	10204	85.25	474	18.73	7963	5.16
IT Ser. /Consultancy		488.51		466.74		148.52		43.94		39.38
TOTAL	225914	769.36	11208	935.70	18770	388.19	7790	94.44	41754	127.49
CLOSINGSTOCK										
Finished Goods										
IT Products	--	--	2	1.82	1	6.21	1	0.78	--	--
Smart cards Readers	21	2.25	399	3.28	429	1.53	4188	17.42	3263	8.58
Other Materials	1047	0.82	1267	0.66	57	2.68	2209	12.79	1438	2.24
Raw Material	170	0.014	65	0.08	1126	0.27		7.09		18.89
TOTAL	1238	3.21	1733	5.84	1613	10.69	6398	38.08	4701	29.71

10. Contingent Liabilities

(Rs. In Lacs)

PARTICULARS	31/03/08
Bank Guarantee	25.26
Others (Third party)	100.00
Legal Cases (Rajiv Project)	74.00
TOTAL	199.26

11. Earning in Foreign Currency

(Rs. In Lacs)

PARTICULARS	31/03/08
Sales	2012.93
TOTAL	2012.93

12. Expenditure in Foreign Currency

(Rs. In Lacs)

PARTICULARS	31/03/08
Traveling Expenditure	30.46
Membership Fee	0.38
TOTAL	30.84

ANNEXURE 5

NOTES TO ADJUSTMENTS IN RESTATED FINANCIAL STATEMENTS

1. PRIOR PERIOD ADJUSTMENTS

Items of income and expenditure have been retrospectively adjusted in arriving at the profits of the years / periods to which they relate although the event triggering the income and expenses occurred in the subsequent years, as per SEBI guidelines.

- a) **Depreciation:** There is a prior period adjustment towards depreciation for Rs 32.98 Lacs that is recognized during the current year. The same amount has been arrived by changing the depreciation method (i.e. from WDV to SLM) on Fixed Assets of Domestic Unit which had been following WDV method since inception.

(Rs. In Lacs)

Year	31.03.07	31.03.06	31.03.05	Up to 31.03.04	Total

Depreciation (Add)/Less	24.36	0.69	(2.90)	10.83	32.98
----------------------------	-------	------	--------	-------	-------

- b) **Income Tax provision:** Income Tax provisions for the Financial Year 2005-06 Rs. 57,591/- and for the Financial Year 2006-07 Rs.8,23,381/- has been provided in those years.
- c) **Pre-Operative Expenses Written off:** The Company has incurred Pre-operative expenses in the financial years 2005-2006 and 2006-2007 amounting to Rs.13,21,461/- and 5,90,474/- respectively shown as Pre-operative Expenses as an asset in those years. In the financial year 2006-2007, a sum of Rs.4,40,487/- was written off to comply with the AS 26 on Intangible Assets.
- d) **Gratuity Provision:** During the year the Company has provided for Gratuity on Actuarial Valuation basis to comply with AS 15 (Revised 2005) for the financial years ending 31st March, 2003, 2004, 2005, 2006 and 2007 amounting to Rs.2,85,215, Rs.1,31,436, Rs.1,61,990, Rs.3,36,982, and Rs.4,80,163 respectively. As these are relating to earlier years, the same are provided in respective years.
- e) **Leave encashment provision:** During the Company has provided for Leave Encashment on Actuarial Valuation basis to comply with AS 15 (Revised 2005) for the financial years ending 31st March, 2003, 2004, 2005, 2006 and 2007 amounting to Rs.1,48,958, Rs.1,49,101, Rs.32,566, Rs.7,98,527 and Rs.3,83,620/- respectively. As these are relating to earlier years, the same are provided in respective years.
- f) **Bonus Provision:** Consequent to the amendment to the Payment of Bonus Act, 1965 in October 2007, with retrospective effect from 1.4.2006, the Company has provided for bonus for the financial year ending 31st March, 2007 amounting to Rs. 3,16,495/-. The same is provided in 31st March, 2007.
- g) **LTA provision:** During the Company has provided for LTA payable to employees amounting to Rs.5,02,288/- for the financial year ending 31st March, 2007. The same is provided in 31st March, 2007.
- h) **Deferred Tax provision:** The deferred tax provision on the various Prior Period Items (viz., Depreciation, Gratuity, Leave Encashment, Bonus and LTA provisions) has been made in those years to comply with AS - 22 which is amounting to Rs. 20,05,610/- .

ANNEXURE 6

DETAILS OF CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Depreciation: Depreciation has been provided in the current year as per Straight Line Method on fixed assets at the specific rates prescribed in Schedule XIV the Companies Act, 1956.

There is a change in the method of charging depreciation in the current year in respect of the domestic division of the Company wherein the written down value method was being followed until 31st March 2007 in order to have a uniform method of depreciation in respect of both the domestic and export divisions.

Pre-operative Expenses: During the year the company has changed its accounting policy in respect of Pre-operative expenses to comply with the Accounting Standard (AS26) "Intangible Assets", which is now fully written off instead of amortizing over the period 3 years.

STATEMENT OF QUALIFICATION/OBSERVATIONS IN AUDITORS' REPORT

a) Financial Year ended 31 st March, 2008	Nil
b) Financial Year ended 31 st March, 2007	Nil
c) Financial Year ended 31 st March, 2006	Nil
d) Financial Year ended 31 st March, 2005	Nil
e) Financial Year ended 31 st March, 2004	Nil

CASH FLOW STATEMENT, AS RESTATED

ANNEXURE- 8
(Rs in Lacs)

PARTICULARS	FOR THE YEAR				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
A. Cash flow from Operating Activities					
Profit before tax, as restated	984.26	313.41	28.39	3.61	(0.72)
Adjustment for:					
Depreciation	83.72	38.53	18.44	15.58	13.87
Miscellaneous Expenditure W/off	-	4.40	-	-	-
MAT Credit Entitled Account	-	-	-	-	-
Bad & Doubtful Debts written off	2.12	-	-	-	-
Interest Provided / received	13.45	8.35	7.13	4.65	1.29
Income / Loss from Investments	-	-	-	-	-
Loss on Sale of assets	(1.05)	-	-	-	-
Operating income before Working Capital Changes	1082.50	364.69	53.96	23.84	14.44
Adjustment for :					
Decrease/(increase) in Trade & other receivables	(954.70)	(654.83)	(172.99)	4.94	(34.44)
Decrease/(increase) in inventories	2.63	43.92	(11.68)	(8.37)	(17.68)
Increase/(decrease) in Trade payables	(202.10)	326.75	178.81	46.69	16.38
Cash Generated from operations	(71.67)	80.53	48.10	67.10	(21.30)
Direct Taxes paid (Net)	-	-	-	-	-
Net cash flow from Operating Activities	(71.67)	80.53	48.10	67.10	(21.30)
B. Cash Flow from investing Activities					
Purchase of fixed Assets & Advances for Fixed assets	(95.43)	(296.14)	(120.03)	(14.25)	(2.61)
Preoperative expenses	-	(5.90)	-	-	-
Proceeds from sale of Investments	-	1.00	-	-	-
Purchase of Investments	-	-	(1.00)	-	-
Income from investments	-	-	-	-	-
Interest received	-	-	-	-	-
Proceeds from sale of assets	1.70	-	-	-	-
Net cash used from investing Activities	(93.73)	(301.04)	(121.03)	(14.25)	(2.61)
C. Cash Flow from Financing Activities					
Proceeds from Borrowings	-	-	-	-	-
-Share Capital	93.55	319.96	-	-	-
-Loans	87.29	(15.33)	62.20	12.93	10.55
-Cash / Credit / Factory Facilities	-	-	-	-	-
Repayment of	-	-	-	-	-
-Loans	(15.00)	-	-	-	-
-Advances	-	(128.35)	74.59	(52.43)	20.44
-Interest paid	(13.45)	(8.35)	(7.13)	(4.65)	(1.29)
Net Cash Flow from Financing Activities	152.39	167.93	129.66	(44.15)	29.70
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(13.01)	(52.58)	56.73	8.70	5.79
Cash & Cash Equivalent Beginning of the Year	24.68	77.26	20.53	11.83	6.04
Cash & Cash Equivalent at End of the Year	11.67	24.68	77.26	20.53	11.83

ANNEXURE - 9

ACCOUNTING RATIOS

(Rs in Lacs)

PARTICULARS	AS AT				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Net Profit as restated	845.26	265.75	24.26	2.86	(2.48)
Net Worth	2,270.39	651.58	65.87	41.61	38.75
Return on Net Worth (%)	37.23	40.79	36.83	6.87	(6.40)
No. of shares at the end of Year					
(Face Value Rs. 10/-)	13,922,707	4,099,574	50,000	50,000	50,000
Weighted No. of Equity Shares (Considering Bonus issue in previous years)	7,984,301	4,413,219	1,500,000	1,500,000	1,500,000
Weighted No. of Equity Shares (With out Considering Bonus issue in previous years)	7,984,301	1,680,170	50,000	50,000	50,000
Earning per share (Considering Bonus issue)	10.59	6.02	1.62	0.19	(0.17)
Earning per share (With out Considering Bonus issue)	10.59	15.82	48.52	5.72	(4.96)
Net Asset value / Book value per share	16.31	15.89	131.74	83.22	77.50

Note: Earning per share and Book value per share are in rupees

ANNEXURE -10

STATEMENT OF DIVIDEND PAID

The Company has not paid any dividends for any of the preceding financial years.

ANNEXURE -11

STATEMENT OF UNSECURED LOANS, AS RESTATED

(Rs in Lacs)

PARTICULARS	AS AT				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
From Directors	-	15.00	40.79	-	-
HBC Finance and Leasing Ltd	-	-	20.00	-	-
TOTAL	-	15.00	60.79	-	-
Above amounts includes transactions with following Related parties					
C. Narayanacharyulu (Director)	-	-	8.25	-	-
Venu Myneni (CMD)	-	10.00	32.54	-	-
Vinod Koduru (VC & ED)	-	5.00	-	-	-
TOTAL	-	15.00	40.79	-	-

Note:

1. The related party information disclosed above is based on the audited financial statements of the Company.
2. Interest paid on the loans mentioned above as related party transaction. No specific repayment terms have been fixed.

ANNEXURE -12

CAPITALIZATION STATEMENT

(Rs in Lacs)

Particulars	Pre-issue for the year ended 31st March, 2008	Post-issue as adjusted for the issue
Debt		
A. Short Term Debts	147.06	
B. Long Term Debts	--	
Total Debts	147.06	
Shareholders Fund		
Equity Shares Capital	1,392.27	
Preference Share Capital	--	
Reserves & Surplus	878.12	♦
Less: Miscellaneous expenditure		♦
Total Share Holders Fund	2,270.39	♦
Long Term Debts / Shareholders Fund	--	♦

Notes:

- 1) Working Capital Limits as on March 31, 2008 are considered as short-term debts.
- 2) The Post - issue debt- equity ratio will be computed on the conclusion of the book building process.
- 3) The figures included above are as per the restated statement of assets and liabilities and restated statement of profit and loss

ANNEXURE 13

STATEMENT OF TAX SHELTER

(Rs. In Lacs)

PARTICULARS	AS AT				
	31/03/08	31/03/07	31/03/06	31/03/05	31/03/04
Profit Before Current and deferred taxes as restated	984.26	313.41	28.39	3.61	(0.72)
Tax rate - Normal	33.99%	33.66%	33.66%	36.60%	35.88%
Tax rate - MAT	11.33%	11.22%	8.42%	7.84%	7.69%
Tax impact at applicable tax rate on restated profits (A)	111.52	35.16	2.39	1.32	(0.06)
Adjustments					
Deduction under section 80IB	--	-	-	-	-
Permanent Differences					
Dividend from units- exempt from tax	--	-	-	-	-
Other adjustments	53.26	11.37	7.79	-	0.04
Total (B)	53.26	11.37	7.79		0.04
Temporary Differences					
Difference between book base and tax base of fixed assets	(108.22)	(41.08)	(28.23)	(2.31)	(1.81)

Set off of carry forward losses	(1.83)	-	-	-	-
Deferred revenue expenditure	--	-	-	-	-
Other adjustments	--	(19.12)	(27.67)	-	-
Impact of qualification	--	-	-	-	-
Total (C)	(110.05)	(60.20)	(55.90)	(2.31)	(1.81)
Net adjustment (B+C)	(56.79)	(48.83)	(48.11)	(2.31)	(1.77)
Tax saving thereon (D)	(6.43)	(5.48)	(4.05)	(0.84)	(0.14)
Interest and other adjustments (E)	--	-	-	-	-
Net Tax payable (MAT)	105.08	29.69	(1.66)	0.48	-

ANNEXURE -14

SECURED LOANS

(Rs in Lacs)

PARTICULARS	AS AT				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Term loan from banks					
Working Capital loan from banks					
1. Axis Bank Ltd - Cash Credit	-	0.40	27.77	25.30	11.41
2. ING Vysya Bank Ltd - Cash Credit	147.06	59.05	-	-	-
3. ING Vysya Bank Ltd - Term Loan	--	--	--	--	--
Vehicle Loan from Bank					
4. ICICI Bank Ltd	--	0.32	1.50	2.56	3.52
TOTAL	147.06	59.77	29.27	27.86	14.93

1.ING Vysya Bank Ltd

Primary: First hypothecation charge on the Current Assets of the company.

****Collateral:**

- ◆ Equitable Mortgage of property standing in the names of Mr. Vinod Koduru and Mr. Venu Myneni, CMD being open sites bearing no.38 and 39, Khata no. 417, in survey no. 24/4-A measuring 30'*40' at Hosahalli Village, Uttarahalli Hobli, Bangalore South Taluk.
- ◆ First Charge on the Fixed Assets of the company in the form of plant and machinery, computers & Accessories, office equipment, Furniture and Fixtures and other Equipment.
- ◆ **Vehicle Loan:** Hypothecation of Vehicle

PRINCIPAL TERM OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. In Lacs)

Sr. No	Particulars	Rate of Interest	Repayment Terms	Amount Outstanding as at 31st March, 2008	Details of Security **
1	Working Capital Facilities				
	ING Vysya Bank Ltd				
	(i) Cash Credit Rs. 125.00 Lacs	14.50%	One Year	147.06	Hypothecation of Stocks , Book Debts, personal guarantee and collateral of directors
	(il) Term Loan Rs.50.00 Lacs	12.75%	Three Year	--	Hypothecation of Fixed Assets, Book Debts, personal guarantee and collateral of directors
	(ii) Non Fund Based				
	100.00 Lacs	2.50% Commiss	One Year	--	Hypothecation of Stocks and Book Debts

		ion			
2	State Bank of India				
	Non Fund Based	2.50% Commission	Five Years	--	100% Fixed Deposit
	TOTAL			147.06	

ANNEXURE -15

INVESTMENTS, AS RESTATED

(Rs in Lacs)

PARTICULARS	AS AT				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
(a) Long Term (at cost)	-	-	-	-	-
i) Radiant Systems Inc (Investment in Subsidiary)	680.00			-	-
(b) Short Term (at cost)	-	-	-	-	-
(c) Current (at lower of cost and fair Value)					
i) Radgov Solutions (India) Private Limited (Investment in Subsidiary)	-	-	1.00	-	-
TOTAL	680.00	-	1.00	-	-

ANNEXURE-16

SUNDRY DEBTORS, AS RESTATED

(Rs in Lacs)

PARTICULARS	AS AT				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Debts outstanding for a period exceeding six months	592.97	172.69	7.96	9.73	5.86
Others	1,049.43	591.94	75.28	36.15	39.44
TOTAL	1,642.40	764.63	83.24	45.88	45.30
Note: The following are the related party transactions with respect to sundry debtors.					
Radiant Systems Inc	1160.70	241.76			
Radgov Inc	95.39	--			

ANNEXURE -17

LOANS AND ADVANCES, AS RESTATED

(Rs in Lacs)

PARTICULARS	AS AT				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Advances to Vendors / Suppliers	2.47	1.43	6.18	0.67	6.59
Other Advances	61.23	66.69	28.09	0.14	7.06
Advance Income Tax and TDS	72.80	33.43	10.51	2.11	1.07
Deposits	88.19	46.21	129.54	35.76	29.48
TOTAL	224.69	147.76	174.32	38.68	44.20

Note:

- Advances to Vendors include advances given for procurement of material etc.

ANNEXURE -18**OTHER INCOME, AS RESTATED****(Rs in Lacs)**

PARTICULARS	FOR THE YEAR				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Recurring					
Interest on Deposits	0.43	3.20	4.37	0.22	0.28
Total (A)	0.43	3.20	4.37	0.22	0.28
Non Recurring					
Income from Foreign Exchange Fluctuation	-	-	0.05	-	10.78
Miscellaneous Income	1.08	3.01	-	0.03	-
Total (B)	1.08	3.01	0.05	0.03	10.78
TOTAL (A+B)	1.51	6.21	4.42	0.25	11.06

Note:

- Other income considered is as per the statement of the profit and loss.
- Classification of other income by the management into recurring and non-recurring is based on the current operations and business activities of the Company.

ANNEXURE 19**DETAILS OF RELATED PARTY TRANSACTION**

The company has entered into the following related party transactions. As on 31st March, 2008 such parties and transactions are identified as per Accounting Standard 18 issued by Institute of Chartered Accountants of India.

Sr. No.	Related Party	Relationship
1	Radiant Systems Inc	Subsidiary Company
2	Radgov Solutions (India) Pvt Ltd	Subsidiary Company (until 6 th Nov, 2006)
3	Radgov Inc	Directors' Wives are directors in Radgov, Inc.
4	C. Rajyalakshmi	Wife of C.Narayanacharyulu

Key Managerial Personnel

Sr. No.	Name	Designation
1	Mr. Venu Myneni	Chairman & Managing Director
2	Mr. Vinod Koduru	Vice Chairman & Executive Director
3	Mr. C. Narayanacharyulu	Director

DETAILS OF TRANSACTIONS WITH RELATED PARTIES**(Rs in Lacs)**

Related party	Relationship	Nature of Transaction	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
C.Narayanacharyulu	Director	Remuneration	30.30	26.28	11.53	9.12	8.99
Siva Prasad Myneni	Director	Remuneration	---	--	--	--	--
Radiant Systems Inc	Subsidiary Company	-Advances recd against Export	--	--	128.31	53.72	106.15

		-Sales	1581.86	539.88	274.80	319.70	70.33
		-Sundry Debtors	1160.70	241.76	--	--	--
		Investments	680.00	--	--	--	--
Radgov Inc	Directors' Wives are director in Radgov Inc	-Sales	125.36	--	--	--	--
		-Sundry Debtors	95.39	--	--	--	--
		-Advance against Export	---	4.34	--	--	--
Radgov Solutions Pvt Ltd	Subsidiary Company	Investments	--	--	1.00	--	--
Venu Myneni	CMD	-Unsecured Loans	--	10.00	32.54	--	--
C.Narayanacharyulu	Director	-Unsecured Loans	--	--	8.25	--	--
Vinod Koduru	Vice Chair Man and Executive Director	-Unsecured Loans	--	5.00	--	--	--
C. Rajyalakshmi	Wife of C. Narayanacharyulu	Consultancy	--	--	2.50	--	--
Venu Myneni	CMD	Interest Paid	--	2.28	--	--	--
C.Narayanacharyulu	Director	Interest Paid	--	2.04	--	--	--

ANNEXURE- 20

STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Lacs)

PARTICULARS	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Bank Guarantee	25.26	18.63	312.85	7.01	1.06
Others (Third party)	100.00	-	-	-	-
Legal Cases (Rajiv Project)	74.00	-	-	-	-
TOTAL	199.26	18.63	312.85	7.01	1.06

CONSOLIDATED AUDIT REPORT

To,
The Board of Directors,
Radiant Info Systems Limited
Bangalore

Dear Sir,

We have examined the annexed consolidated financial information of Radiant Info Systems Limited ('the Company') and its subsidiaries which was approved by the Board of Directors of the Company At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts in accordance with the requirement of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956('the Act'); The Securities and Exchange Board of India (Disclosure and investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by Securities and Exchange Board of India ('SEBI') on January , 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments and our terms of reference with the Company requesting us to carry out work in connection with the Offer Document as aforesaid.

1. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you; we further report that:
 - a) The Consolidated Restated Summary Statement of Assets and Liabilities of the Company, its subsidiaries as at March 31, 2008 examined by us, as set out in **Annexure 1** to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes on Accounts. (Refer Annexure III & IV).
 - b) The Consolidated Statement of Restated Summary Statement of the Profits of the Company, its subsidiaries for the year ended March 31, 2008 examined by us, as set out in **Annexure II** to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes on Accounts. (Refer **Annexure III & IV**).
 - c) Based on above, we confirm that that the restated financial information has been made after incorporating:
 - i. Adjustments for the changes in accounting policies retrospectively in respective financial years if any, to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - ii. Adjustments for the material amounts in the respective financial year to which they relate.
 - iii. And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.
 - d) We have also examined the following consolidated other financial information setout in **Annexures V and VI** prepared by the management and approved by the Board of Directors relating to the Company, its subsidiaries for the year ended March31,2008.

- i. Statement of earnings per share based on the consolidated financial statements of the Company and its subsidiaries included in **Annexure V**.
- ii. Statement of accounting ratios based on the consolidated financial statement of the Company, its subsidiaries included in **Annexure VI**.

In our opinion the financial information contained in **Annexures I to II, V and VI** of this report read along with the Significant Accounting Policies and Notes on Accounts (Refer **Annexure III & IV**) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and SEBI (DIP) Guidelines.

2. Radiant Systems Inc, USA was incorporated on 28th July 1995. It has become 100% subsidiary of Radiant Info Systems Ltd., during the financial year 2007-2008, Hence consolidated financial statements was prepared for the financial year 2007-2008. Radiant Systems Inc has two subsidiaries i.e. Redwood Financial Technologies LLC, which was incorporated on 28th January, 2002. Radiant Systems Inc had 50% holding in Redwood financial Technologies LLC operations started during the financial year 2001- 2002. Radiant Systems Inc had 100% holding in Redwood Financial Technologies LLC during the financial 2004-2005. Radiant Info Ltd., U.K. which was 100% subsidiary Radiant Systems Inc was incorporated on 10th November, 2006 and operations were started during financial year 2006-2007.
3. We have relied on the audited financial statements and other information provided by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

**For P. MURALI & CO.,
CHARTERED ACCOUNTANTS**

M.V. Joshi

Membership No. 24784

**Place: Hyderabad
Date: July 12, 2008**

ANNEXURE - I

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES OF
RADIANT INFO SYSTEMS LIMITED AS RESTATED AS AT 31ST MARCH, 2008

(Rs in Lakhs)

Sr. NO.	PARTICULARS	AS AT 31/03/2008 CONSOLIDATED
A)	FIXED ASSETS	
	Gross Block	794.98
	Less: Depreciation	334.00
	NET BLOCK	460.98
	TOTAL(A)	460.98
B)	CURRENT ASSETS, LOANS & ADVANCES	
	Inventories	3.21
	Sundry Debtors	4,594.89
	Cash & Bank Balances	175.83
	Loans & Advances	858.49
	Foreign Currency Translation Reserve	43.87
	TOTAL (B)	5,676.29
C)	CURRENT LIABILITIES & PROVISIONS	
	Secured Loans	1,448.18
	Deferred Tax Liability	61.79
	Current Liabilities	1,447.02
	Provision for Taxation	445.51
	Provision Others	100.80
	TOTAL (C)	3,503.30
D)	NET WORTH (A+B-C)	2,633.97
E)	Represented By :	
1)	Share Capital	
	- Equity Share Capital	1,392.27
	- Preference Share Capital	--
	Less : Calls in Arrears	--
	TOTAL	1,392.27
2)	Share Application Money	
	- Equity Share Capital	--
	- Preference Share Capital	--
	TOTAL	--
3)	Reserves & Surplus	2,102.78
	Add: Share Premium	74.58
	Less : Capitalization of Bonus shares	283.34
	Less: Utilised for Swaping	1,015.90
	Add : Capital Reserve	363.58
	Net Reserves & Surplus	1,241.70
4)	Miscellaneous Expenditure	-
5)	Debit balance in P & L a/c	--
	NET WORTH (1+2+3- 4- 5)	2,633.97

ANNEXURE - II

STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT OF M/s RADIANT INFO
SYSTEMS LIMITED AS RESTATED FOR THE YEAR ENDED 31ST MARCH, 2008

		(Rs in Lakhs)
Sr. No.	PARTICULARS	YEAR ENDED 31/03/2008 CONSOLIDATED
A)	INCOME	
	Sales	
	Export Sales	16,427.42
	Domestic Sales	769.36
	Less: Excise Duty	--
	Net Sales	17,196.78
	Other Income	81.79
	Increase / (Decrease) of Stock	(2.69)
	TOTAL (A)	17,275.88
B)	EXPENDITURE	
	Raw Materials Consumed	188.77
	Operating Expenses	54.63
	Staff cost	13,569.70
	Administrative & Other Expenses	1209.40
	TOTAL (B)	15,022.50
C)	Profit before Interest, Depreciation and Tax	2,253.38
	Depreciation	93.21
	Profit before Interest & Tax	2,160.17
	Financial Charges	153.23
D)	Profit after Interest & before Tax	2,006.94
	Preliminary Expenses w/o	-
E)	Profit before Taxation	2,006.94
	Provision for Taxation	459.07
	Provision for Deferred Tax	18.68
	Provision for FBT	9.01
F)	Profit after Tax but before Extra ordinary items	1,520.18
G)	Profit after Extraordinary items	1,520.18
	Surplus profit of earlier years	662.40
H)	Net Profit Available for Appropriation	2,182.58
	Proposed Dividend	79.80
	Tax on Proposed Dividend	--
	Transferred to General Reserve	--
	Balance Carried Forward to Balance Sheet	2,102.78

DESCRIPTION OF BUSINESS AND STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**Description of business**

Radiant Info Systems Limited and its subsidiaries are engaged in providing Information Technology services, developing software products. Radiant Info Systems was incorporated in the year 1997 under the Companies Act, 1956 with a focus on providing quality, cost effective IT solutions for business verticals across the world. Radiant Info Systems was set up as an offshore development center in the IT heartland of India, Bangalore to effectively outsource the IT requirements of our clients.

Radiant Systems Inc was incorporated in 1995 in the United States of America head quartered in South Plainfield, New Jersey with a view to provide IT consulting Services, e- business solutions etc., across the world.

Radiant Info Ltd., U.K was incorporated in 2006 in London, United Kingdom, is engaged in providing IT Consulting Services.

Redwood Financial Technologies LLC was incorporated in 2002 in the United States of America, New Jersey is engaged in the business of IT consulting services.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated financial statements of Radiant Info Systems Limited and its subsidiaries (The Group) are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

Being the first occasion that Consolidated financial statement are presented for the year ended March 31, 2008 comparative figures for the corresponding previous year ended 31st March, 2007 are not given in line with the transitional provisions of the Accounting Standard 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and hence the Consolidated Cash Flow Statement has also not been presented for the year ended 31st March, 2008.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The significant accounting policies adopted by the Group are detailed below:

1.1 Principles of Consolidation

The financial statements of the subsidiary companies used in for consolidation are drawn up to the same reporting date as of the parent company.

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All material inter-company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.

Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.

- b) The excess of cost to the company of its investment in subsidiary companies over its share of equity of the subsidiary companies at the dates, on which the investment in subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognized as 'Capital Reserve' in the consolidated financial statements.

1.2 Use of estimates

In case of Indian Company

The preparation of the financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Examples of such estimates include provision for income tax and useful life of the assets.

In case of subsidiaries:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustment, if any to the estimates used are made prospectively based on such periodic evaluations.

1.3 Significant Accounting policies

The Significant accounting policies pertaining to the principal business segments of the company are set out below and the other policies have been detailed in the standalone financial statements.

In case of subsidiaries

The financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP); consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

1.4 Revenue Recognition

Software & Consultancy Revenue

The contracts between the Company and its customers are either time and material contracts or fixed price contracts. Revenue from fixed - price contracts is recognized according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.

In respect of time and material contract, revenue is recognized in the period in which the services are provided.

Revenue from product sale and licensing arrangements are recognized on delivery and installation.

Other Income

Other incomes are recognized on an accrual basis.

Revenue Recognition in case of subsidiaries

The Company recognizes revenue on time-and-materials contracts as the services are performed for clients. Revenues on fixed-price contracts are recognized using the percentage of completion method. Percentage of completion is determined by relating the actual cost of work performed to date to the estimated total cost for each contract. If the estimate indicates a loss on a particular contract, a provision is made for the entire estimated loss without reference to the percentage of completion.

1.5 Foreign Currency Transactions / Translation

As per Accounting Standard (AS-11) - The effects of changes in Foreign Exchange rates, for the purpose of consolidation the operations of overseas subsidiaries are considered as non-integral in nature and accordingly their assets and liabilities of non-Indian subsidiaries are translated at the period-end exchange rate and income and expenditure items are translated at the average rates during the period. the resultant translation adjustment is reflected as a separate component of Shareholders' funds as 'Foreign currency translation reserve'.

- a) the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation has been translated at the closing rate;
- b) income and expense items of the non-integral foreign operation has been translated at average rates during the period; and
- c) all resulting exchange differences has been accumulated in a foreign currency translation reserve

1.6 Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Depreciation on fixed assets is computed on the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956.

1.7 Intangible Assets

During the year the company has changed its accounting policy in respect of Pre-operative expenses to comply with accounting standard (AS26) "Intangible Assets", which is now fully written off instead of amortizing over the period of 3 years.

1.8 Investments

Investments are classified into current or long-term investments based on the management's intention at the time of purchase. Long term investments in subsidiaries are stated at cost.

1.9 Inventories

Raw materials, work in progress and finished goods are valued at the lower of the cost or net realizable value. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition.

1.10 Employee Benefits

Contributions to defined schemes such Provident Fund, Gratuity, Leave Encashment and Employee State Insurance Scheme are charged as incurred on accrual basis.

1.11 Lease Rentals

To charge rentals in respect of leased premises and equipment to the profit and loss account.

1.12 Taxation

Tax expenses comprising of both .current tax and deferred tax are included in determining the net results for the period.

Deferred tax reflects the effect of timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current Tax is determined based on the provisions of the Income Tax Act of the respective countries.

1.13 Earnings Per Share

The number of shares used in computing EPS is the weighted average number of shares outstanding during the year.

ANNEXURE - IV

NOTES TO ACCOUNTS

1) Public Limited Company

The Company was converted into Public Limited company by a special resolution of the members passed at the Extra Ordinary General Meeting held on 12th November, 2007. Consequent to the change of name, a fresh certificate of incorporation was granted to the company on 22nd January, 2008 by the Registrar of Companies, Karnataka.

2) Particulars of Subsidiary Companies

Name of the Subsidiary	Proportion of ownership interest as at 31st March, 2008	Country of Incorporation	Effective date of Consolidation for New acquisition
Radiant Systems Inc	100%	United States of America	1 st April, 2007

Radiant Systems Inc has two Subsidiaries. The following are the details of subsidiaries:

Name of the Subsidiary	Proportion of ownership interest as at 31st March, 2008	Country of Incorporation	Effective date of Consolidation for New acquisition
Red Wood Financial Technologies LLC	100%	United States of America	1 st April, 2007
Radiant Info Ltd. U.K	100%	United Kingdom	1 st April, 2007

Organization and Description of Business of Subsidiary Company

Radiant Systems Inc

The Company is incorporated in 1995 in United States of America head quartered in South Plainfield, New Jersey. It is engaged in the business of Information Technology Systems integration and software development. They providing IT services to major fortune 500 clients within United States of America as a preferred vendor. Founded in 1995, Radiant Systems Inc is recognized and has won many awards for being one of the fastest growing privately owned IT Companies.

Redwood Financial Technologies LLC

The Company is incorporated in the United States of America, in January, 2002. It has been engaged in Software, IT Consulting Services since 2002

Radiant Info Ltd., U.K

The Company is incorporated in the United Kingdom, in November, 2006. It has been engaged in Software, IT Consulting Services since 2006

The reporting date for all the above companies is March 31, 2008.

1 Secured Loans

Radiant Info Systems Ltd has an overdraft facility of Rs.12,500,000/- and term loan of Rs.5,000,000/- with ING Vysya Bank Limited, the balance outstanding as on 31st March 2008 Rs.14,706,001/- which is secured against book debts of the company and personal guarantees of the Directors.

Radiant Systems Inc has a long term loan \$ 1,750,000 (equivalent to Rs.698.25 lakhs) secured against book debts of the company and personal guarantees of the stock holders, inventory, equipment, instruments of the company

Radiant Systems Inc has also a overdraft facility of \$ 2,250,000 with Bank of India the balance outstanding as on 31st March 2008 \$ 1,510,947 (equivalent to Rs.602.87 lakhs) which is secured against book debts of the company and personal guarantees of the stock holders, inventory, equipment, instruments of the company

2 Investments

During the current financial year the company has acquired US based Software Company and Capital Reserve of Rs.363.58 lakhs has been considered as detailed below.

Sr. No.	Name of the Company	Date of Acquisition	Rs (In lakhs)
	RADIANT SYSTEMS INC	12.02.2008	
	Equity Share Capital		27.68
	Reserves and Surplus		1015.90
	Total		1043.58
	Less: Cost of Investment		680.00
	Capital Reserve		363.58

During the year the Company has issued 68,00,000 Equity Shares of Rs.10/- each fully paid up to the shareholders of Radiant Systems, Inc., USA, under the swap ratio of 1:1 for acquiring 100% ownership of Radiant Systems, Inc., as per the permission obtained from the Govt. of India FIPB, New Delhi, vide their letter No.FCII.11(2008)377(2007) dt. 08th February 2008. In respect of the remaining 200 shares in the said Company, our Company has made an application on 21.2.2008 for acquisition which were acquired on 16th April, 2008, vide FIPB approval No. FC II. 11(2008)377(2007) dt. 15th April, 2008. Hence, no minority interest has been recognized as of 31.3.2008.

3 Land

Lease hold land relates to purchase of land by the company from KEONICS, Bangalore under the lease cum sale agreement dated 11th February 2008. The title will pass to the company on completion of 10 years from the date of sale deed.

4 Related Party Transactions

Radiant Info Systems Limited had the following related party transactions:

(Rs. In Lakhs)			
Name of the Party	Relationship	Nature of Transaction	03.08
Radiant Systems Inc, USA	Subsidiary	Sales	1581.86
		Sundry Debtors	1160.70
		Investments	680.00
Radgov Inc, USA	Company owned by the spouse of Directors viz., Venu Myneni and Vinod Koduru	Sales	125.36
		Sundry Debtors	95.39
		Advance against export	--
Mr. C. Narayanacharyulu	Director - WholeTime Director	Remuneration	30.30
		Interest on Loan	--

5 Lease

The Companies leasing arrangements are in respect of operating leases for premises (office, guest house) and equipment. These leasing arrangements which are not non-cancelable range between 11 months and 5 years generally, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals paid during the year ended March 31, 2008 is charged to Profit and Loss account.

6 Commitments and Contingent Liabilities

Commitments

Radiant Systems Inc has leased its office and vehicle. The yearly breaks up of future lease commitments are as follows:

Years	Amount (in USD)
31.03.2008	69,016
31.03.2009	67,776
31.03.2010	55,841
31.03.2011	54,756
TOTAL	2,47,389

Contingent Liabilities

Radiant Info Systems Ltd., (Rs. In lakhs)

Bank Guarantee	Rs 25.26	(Previous Year Rs.18.63)
Third Party Bank Guarantee	Rs.100.00	(Previous Year Rs. Nil)

Legal Cases: There are certain claims against the company in a project, which are not acknowledged as debts, the details are as follows:

In respect of an e-governance project viz, Rajiv Internet Village Project of the Government of Andhra Pradesh awarded to the consortium led by Bharat Electronics Ltd., (BEL). Implementation of the said project was undertaken by the company. As per RFP, the Project envisages, inter-alia, setting up of data centre, providing application software, and setting up of internet based kiosks in the rural villages of Andhra Pradesh to provide various Govt. services to the citizens like collection of electricity bills, issue of birth, death certificates, income certificates, collection of telephone bills etc.,

The Company had initiated setting up of data centre, provided the application software, connected services like collection of electricity bills, issue of mobile prepaid cards, sale of examination application forms like EAMCET, I-CET, Passport forms etc., and had set up certain internet based kiosks through a franchisee model.

The availability of above services are dependent on the approvals, permissions, and authorization received from Government of Andhra Pradesh, EDS and the participating Government Departments and also dependent on their pace of computerization. This fact was mentioned in the Franchisee Agreement. The Company has not faulted in executing its responsibilities. However a liability has worked out to 74 lakhs based on the legal/forum notices from franchisees,

7 Gratuity and Other Provisions

- Gratuity Provision:** During the year the Company has provided for Gratuity on Actuarial Valuation basis to comply with the Accounting Standard 15 (Revised 2005) of the ICAI. The transitional obligation amounting to Rs.10,70,786/- upto 31.03.2007 has been adjusted against Profit and Loss account under schedule 'B', since relating to earlier years.
- Leave encashment provision:** During the Company has provided for Leave Encashment on Actuarial Valuation basis to comply with the Accounting Standard 15 (Revised 2005)

of the ICAI. The transitional obligation amounting to Rs.13,35,437/- upto 31.03.2007 has been adjusted against Profit and Loss account under schedule 'B' since relating to earlier years.

- c. **Provisions for Gratuity etc. for the Current Year:** Effective from the current year under report, the Company has adopted the revised AS 15 and has accordingly made provision based on the actuarial valuation in respect of Gratuity, Leave encashment, Bonus and L.T.A. The details are as follows

(Rupees)	
PARTICULARS	31.03.2008
Gratuity	5,32,183/-
Bonus	3,21,249/-
L.T.A	17,71,445/-
Leave encashment	13,91,405/-

8 Prior Period adjustment

- i) **Depreciation:** There is a prior period adjustment towards depreciation for Rs. 32.98 lakhs that is recognized during the current year. The same amount has been arrived by changing the depreciation method (i.e. from WDV to SLM) on Fixed Assets of Domestic Unit which had been following WDV method since inception.

(Rs. In lakhs)					
Year	Up to 31.03.04	31.03.05	31.03.06	31.03.07	Total
Depreciation (Add)/Less	10.83	(2.90)	0.69	24.36	32.98

- j) **Income Tax provision:** Income Tax provisions for the Financial Year 2005-06 Rs. 57,591/- and for the Financial Year 2006-07 Rs.8,23,381/- has been made in the current year 2007-08 under Prior period Items since they were not provided for in those years.
- k) **Pre-Operative Expenses Written off:** The Company has incurred Pre-operative expenses in the financial years 2005-2006 and 2006-2007 amounting to Rs.13,21,461/- and 5,90,474/- respectively shown as Pre-operative Expenses as an asset in those years. In the financial year 2006-2007, a sum of Rs.4,40,487/- was written off. The balance amount of Rs 14,71,448/- has been debited to Prior period expenses in the current year 2007-08 to comply with the AS 26 on Intangible Assets.
- l) **Bonus Provision:** Consequent to the amendment to the Payment of Bonus Act, 1965 in October 2007, with retrospective effect from 1.4.2006, the Company has provided for bonus for the financial year ending 31st March, 2007 amounting to Rs. 3,16,495/-. As the same is relating to the previous year it is debited under Prior Period Item in the current financial year.
- m) **LTA provision:** During the Company has provided for LTA payable to employees amounting to Rs.5,02,288/- for the financial year ending 31st March, 2007. As the same is relating to the previous year it is debited under Prior Period Item in the current financial year.
- n) **Deferred Tax provision:** The deferred tax provision on the various Prior Period Items (viz., Depreciation, Bonus and LTA provisions) has been made in the current year to comply with AS - 22 which is amounting to Rs. 11,75,525/-. The same been treated as prior period item.

9 Provision for Doubtful debts

In the case of **Radiant Info Systems Limited** the total debtors of the company is Rs.166,889,569/- and provision has been made based on age and recoverability of the debtors. The Management Certified that an amount of Rs. 2,649,136/- has been bad and doubtful debts. Hence the same has been provided.

In the case of **Radiant systems Inc** there is a provision for uncollectible accounts as of March, 2008 \$ 16,246 (equivalent to Rs. 676,971/-) and bad debts of \$ 7,406 (equivalent to Rs308,608/-) were written off.

10 Deferred Tax Asset/Liability

In Case of **Radiant Info Systems Limited** the company has recognized the deferred tax asset/liability as per Accounting Standard 22.

11 Foreign Exchange Earnings

Earning in Foreign Currency Inflow

Software Export Earnings: Rs.2012.93 lakhs

Expenditure in Foreign Currency outflow

Towards Traveling Rs.30.46 lakhs

Membership Fee Rs. 0.38 lakhs

12 Property and Equipment in case of Subsidiary Companies

Property and equipment consist of the following:

Description	Amount (In USD)
Furniture and equipment	327,110
Automobiles	29,626
Total	356,736
Less: Deletions during the year	29,626
Total Gross Block	327,110
Less: Accumulated Depreciation (net)	325,909
Net Fixed Assets	1,201

Exchange Rate: 1 USD = Rs.39.90, Equivalent to net asset of Rs.0.48 Lakhs.

The company charges repairs and maintenance costs that do not extend the lives of the assets to expenses as incurred.

13 Remuneration

The number of Employees in respect of remuneration of Rs 24,00,000/- P.A. or more if employed throughout the financial (or Rs.2,00,000/-P. M. if employed for the part of the period) is two. (Excluding US Subsidiary employees)

14 Dues to Small, Medium Enterprises

The Company has initiated the process of identifying the enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Small

and Medium Enterprises Development Act, 2006 and sent letters in this regard. The responses are still awaited, accordingly the disclosure in respect of amount payable to such enterprises as on 31st March 2008 have not been made in the financial statements.

15 Auditors Remuneration

Radiant Info Systems Limited

Audit Fees - Rs. 1.00 Lakh

Radiant Systems Inc (Including Subsidiaries)

Audit Fees - Rs. 9.92 Lakhs

16 Directors Remuneration

Radiant Info Systems Limited

Directors Remuneration 32.30 lakhs

Radiant Systems Inc

Directors Remuneration. 104.01 Lakhs

17 Branch

Radiant Info Systems Limited has established a small branch in Japan in Dec, 2004 to start business development; the operations have not been started. Advances made for setting up the business operations of the branch were charges to profit and loss account.

18 Inter Company Transactions

In case of Parent Company

- a. Radiant Info Systems Limited has acquired Radiant Systems Inc for a consideration of Rs.680.00 lakhs. The Consideration has been paid by way swap of shares.
- b. During the year the parent company's sales to Radiant Systems Inc is Rs.1581.86 lakhs. The same has been eliminated in consolidation.
- c. Inter company dues of Rs.1160.70 lakhs are eliminated in consolidation.

In case of Subsidiary Company

- a. Radiant Systems Inc has invested \$77,224 (equivalent to Rs.30.81 Lakhs) in Radiant Info Ltd., U.K. the same has been eliminated in consolidation.
- b. Radiant Systems Inc has invested \$1,000 (equivalent to Rs 0.40 Lakhs) in RedWood Financial Technologies LLC USA. The same has been eliminated in consolidation.
- c. Radiant Systems Inc has advanced \$35,167 (equivalent to Rs.14.03 Lakhs) to Radiant Info Ltd., U.K. The same has been eliminated in consolidation.
- d. Radiant Systems Inc has advanced \$450 (equivalent to Rs.0.18 Lakhs) to RedWood Financial Technologies LLC USA. The same has been eliminated in consolidation.

ANNEXURE V**Earnings per Share (Consolidated)**

PARTICULARS	Year Ended 31.03.08
Basis	Equivalent No. of Shares
1. Opening No. of Shares	7,122,707
2. Closing No. of Shares	13,922,707
3. Weighted Average No. of Shares	7,984,301
4. Profit after Taxes (Rs.)	152,017,564
5. EPS (in Rs.)	19.04

ANNEXURE VI**Statement of Accounting Ratios (Consolidated) of Radiant Info Systems Limited, as restated for the year ended 31st March, 2008**

PARTICULARS	31.03.2008
Net Profit / (Loss) before Extraordinary Items (Rs. In Lakhs)	1520.17
Net Profit / (Loss) after Extraordinary Items (Rs. In Lakhs)	1520.17
Earnings per shares (weighted average) (in Rs)	19.04
Return on Net worth (%)	57.71
Net Asset Value per Equity Share (in Rs.)	32.99

Notes:

1. The Earnings per share has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes on material adjustments, but before adjustment of extra-ordinary items of income. The denominator considered for the purpose of calculating Earnings per share is weighted average number of Equity shares outstanding during the year.
2. The return on Net worth has been computed by dividing profit after tax and excluding extraordinary items by Net worth
3. Net Asset Value per Equity share represents Net Worth as restated divided by the number of Equity Shares outstanding at the end of the year.

FINANCIAL INFORMATION OF GROUP COMPANIES

A) ADMIRANCE SOFTWARE PRIVATE LIMITED

Admirance software private limited was incorporated on July 7, 2005 with Registrar of Companies, Karnataka at Bangalore. The Corporate Identification Number of the company is U72200KA2005PTC036729. The Registered Office of the company is situated at Basement, No. 2227/1, 9th Main, Banashankari II Stage, Bangalore - 560 070.

The Company was promoted by Mr. C. Narayanacharyulu and Mr. M. Srinivasa Rao with a view to capitalize on opportunities in the IT sector. The Company's main objects include the following:

- To set up and run electronic data processing centre and to carry on the business of data processing, word processing, data abstracting, software consultancy, training, recruitment, placement, systems studies, management studies, management consultancy, techno economic feasibility studies of projects, design and development of management information systems and also to designing, developing, manufacturing, marketing and trading in computer software including management information systems, database services, industrial applications, office systems, desk top publishing, communications including telecommunications & satellite communication, CAD, CAM, Animation, operating systems, utilities and developments in the field of computers.
- To carry on the business of designers, developers, producers, manufacturers, repairers, modifiers, service providers, consultants and advisors, importers, exporters, buyers, sellers, hirers and dealers of all types of and every description of computer software programs.
- To carry on the business as consultants and advisers on all matters of personnel, placement and to render all services such as technical and professional consultants in design, development, research, manufacture, and establish to impart training and educational courses in computer hardware and software.

The Company has not commenced its business activity so far and has not acquired any fixed assets so far. Hence no profit and loss account has been prepared. Expenditure incurred has been capitalized as preoperative expenses.

Board of Directors

Name of the Director	Designation
Mr. C. Narayanacharyulu	Director
Mr. M. Srinivasa Rao	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1.	Mr. C. Narayanacharyulu	1	0.10
2.	Mr. M. Srinivasa Rao	999	99.90
	Total	1000	100.00

Brief Financial Performance:

Particulars	(Rs. in Lacs)		
	For the FY ended 31 st March		
	2006	2007	2008
Equity Share Capital (excluding calls in arrears)	1.00	1.00	1.00
Share Application Money	0.00	0.00	0.00
Reserves (excluding Revaluation Reserves)	0.00	0.00	0.00
Less: Misc. Exp to the extent not written off	0.29	0.39	0.57
Net Worth	0.71	0.61	0.43
Total Income	0.00	0.00	0.00
PAT	0.00	0.00	0.00
EPS (Rs.)	0.00	0.00	0.00
NAV per share (Rs.)	71.00	61.00	42.79
Face Value (Rs.)	100.00	100.00	100.00

Admirance Software Private Limited is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

B) RADGOV SOLUTIONS (INDIA) PRIVATE LIMITED

Radgov Solutions (India) Private Limited was incorporated on November 11, 2005 with Registrar of Companies, Andhra Pradesh at Hyderabad. The Registration Number of the company is 01-48027. The Registered Office of the company is situated at 302, Ujwal Bhavishya Bhavan, 4th Lane, Uma Nagar, Begumpet, Hyderabad - 500016.

The Company was promoted by Radiant Info Systems Pvt. Ltd. as a wholly owned subsidiary with a view to capitalize on opportunities in the IT sector. The Company's main objects include the following:

- To develop, design, set-up, install, manage, run, operate lease, buy, sell, franchise and carry on the business of creating and providing electronic channels, infrastructure, systems, software, hardware and information.
- Technology solutions for delivery of information and services, e-governance and e-commerce in the areas of G2C, G2B, B2C, B2B, AND C2C segments.

The Company has not commenced its business activity so far and has not acquired any fixed assets so far. Hence no profit and loss account has been prepared. Expenditure incurred has been capitalized as preoperative expenses.

Board of Directors

Name of the Director	Designation
Mr. M. Srinivasa Rao	Director
Mr. Koduru Janardhan Reddy	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Mr. M. Srinivasa Rao	570	57.00
2	Mr. Koduru Janardhan Reddy	430	43.00
Total		1000	100.00

Brief Financial Performance:

Particulars	(Rs. in Lacs)		
	For the FY ended 31 st March		
	2006	2007	2008
Equity Share Capital (excluding calls in arrears)	1.00	1.00	1.00
Reserves (excluding Revaluation Reserves)	0.00	0.00	0.00
Less: Misc. Exp to the extent not written off	0.28	0.38	0.56
Net Worth	0.72	0.62	0.44
Total Income	0.00	0.00	0.00
PAT	0.00	0.00	0.00
EPS (Rs.)	0.00	0.00	0.00
Book Value / NAV per share (Rs.)	72.00	62.16	43.91
Face Value (Rs.)	100.00	100.00	100.00

Radgov Solutions (India) Private Limited is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

C) MYNENI FOUNDATION INC

Myneni Foundation Inc was incorporated on January 25, 2007 with New Jersey Department of State, Division of Commercial Recording as a Non-Profit Corporation. The Registration Number of the corporation is 0100974748. The Registered Office of the company is situated at 5, Arrow Head Lane, Somerset, New Jersey - 08873.

The Company was promoted by Venu Myneni, Jyothi Myneni, Rishi Myneni and Rana Myneni. The Company's main objects include the following:

- Providing education to the needy children, improving educational facilities in the rural areas, interpersonal and motivational training programs and material for rural students etc.

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Ms. Jyothi Myneni	Director
Mr. Rishi Myneni	Director
Mr. Rana Myneni	Director

Shareholding Pattern: Not Applicable

Brief Financial Performance: The foundation has not commenced any activity so far and has not acquired any fixed assets so far. Hence financial performance is not applicable.

D) MYNENI INC

Myneni, Inc. was incorporated on February 1, 2007 with Business Filings Incorporated, Incorporator, State of Delaware. The Registration Number of the company is 070114431 - 4294814. The Registered Office of the company is situated at 108, West 13th Street, Wilmington, Delaware - 19801, County of New Castle.

The Company was promoted by Mr. Venu Myneni and Ms. Jyothi Myneni. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

The Company has not commenced its business activity so far and has not acquired any fixed assets so far. Hence no profit and loss account has been prepared.

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Ms. Jyothi Myneni	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Mr. Venu Myneni	750	50
2	Ms. Jyothi Myneni	750	50
Total		1,500	100

Brief Financial Performance: The company has not commenced any activity so far and has not acquired any fixed assets so far. Hence financial performance is not applicable.

E) RADGOV, INC.

Radgov, Inc. was incorporated on April 27, 2005 with the Florida Department of State, Division of Corporations. The Registration Number of the company is P05000061907. The principal place of business is 1500, West Cypress Creek Road, Suite 415, Fort Lauderdale, Florida - 33309.

The Company was promoted by Ms. Jyothi Myneni and Ms. Deepa Koduru. The purpose of the corporation is to engage in any lawful business not prohibited under the laws of the State of Florida. The company is currently engaged in the business of providing IT Systems Integration and Software Development.

Board of Directors

Name of the Director	Designation
Ms. Jyothi Myneni	Director
Ms. Deepa Koduru	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Ms. Jyothi Myneni	339,293	57
2	Ms. Deepa Koduru	255,957	43
Total		595,250	100

Brief Financial Performance:

Particulars	(US \$)		
	For the FY ended 31 st December		
	2005	2006	2007
Share Capital	1000	1000	59525
Additional Paid in Capital (Share Application Money)		699000	600000
Reserves (excluding Revaluation Reserves)	21463	73921	208552
Less: Misc. Exp to the extent not written off	1000	1000	2000
Net Worth	21463	73921	266077
Total Income	2989127	6270979	9375231
PAT	21463	151458	136591
EPS (\$.)	2.15	15.15	0.23
NAV per share (\$.)	2.15	7.39	0.45
Face Value (\$.)	0.10	0.10	0.10

F) ATEECA, INC.

Ateeca, Inc. was incorporated on March 28, 2005 with Business Filings Incorporated, Incorporator, State of Delaware. The Registration Number of the company is 050249443 - 3945988. The Registered Office of the company is situated at 9E, Loockerman St., Ste 205, Dover, Delaware - 19901, County of Kent.

The Company was promoted by Ms. Sunitha Kadiyala and Ms. Rukmani Marpadga. The company currently is the wholly owned subsidiary of Radgov, Inc. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law. The company is currently engaged in the business of providing IT Systems Integration and consulting.

Board of Directors

Name of the Director	Designation
Ms. Sunitha Kadiyala	Director
Ms. Rukmani Marpadga	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Radgov, Inc.	1000	100

On January 2, 2007, Radgov Inc has acquired all the shares of Ateeca, Inc. from Ms. Sunitha Kadiyala and Ms. Rukmani Marpadga.

Brief Financial Performance:

Particulars	For the FY ended 31 st December		
	2005	2006	2007
Equity Share Capital	1000	1000	1000
Share Application Money			
Reserves (excluding Revaluation Reserves)	913	31879	92595
Less: Misc. Exp to the extent not written off	1000	800	600
Net Worth	913	32079	92995
Total Income	39258	934706	3659188
PAT	913	42189	52055
EPS	0.91	42.19	52.06
NAV per share	0.91	32.08	93.00
Face Value	1.00	1.00	1.00

G) AZOORE, INC.

Azoore, Inc. was incorporated on March 28, 2005 with the New Jersey Department of State, Division of Commercial Recording. The Registration Number of the corporation is 0100942853. The registered office of the corporation is situated at 820, Bear Tavern Road, West Trenton, New Jersey - 08628.

The Company was promoted by Ms. Jyothi Myneni and Ms. Deepa Koduru. The purpose of the corporation is to engage in any activity within the purposes for which corporations may be organized under NSHA 14A 1-1 et seq.

The Company has not commenced its business activity so far and has not acquired any fixed assets so far. Hence no profit and loss account has been prepared.

Board of Directors

Name of the Director	Designation
Ms. Jyothi Myneni	Director
Ms. Deepa Koduru	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Ms. Jyothi Myneni	25000	50
2	Ms. Deepa Koduru	25000	50
Total		50000	100

Brief Financial Performance:

Particulars	For the FY ended 31 st December			(\$)
	2005	2006	2007	
Equity Share Capital	500.00	500.00	500.00	
Reserves (excluding Revaluation Reserves)	(1050.00)	(2100.00)	(2910.00)	
Less: Misc. Exp to the extent not written off	500.00	500.00	500.00	
Net Worth	(1050.00)	(2100.00)	(2910.00)	
Total Income	Nil	Nil	Nil	
PAT	(1050.00)	(1050.00)	(810.00)	
EPS (\$.)	-	-	-	
NAV per share (\$.)	-	-	-	
Face Value (\$.)	0.01	0.01	0.01	

H) AZOOP, INC.

Azooop, Inc. was incorporated on March 24, 2005 with the New Jersey Department of State, Division of Commercial Recording. The Registration Number of the corporation is 0100942853. The registered office of the corporation is situated at 820, Bear Tavern Road, West Trenton, New Jersey - 08628.

The Company was promoted by Mr. Venu Myneni and Mr. Vinod Koduru. The purpose of the corporation is to engage in any activity within the purposes for which corporations may be organized under NSHA 14A 1-1 et seq.

The Company has not commenced its business activity so far and has not acquired any fixed assets so far. Hence no profit and loss account has been prepared.

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Mr. Vinod Koduru	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Mr. Venu Myneni	25000	50
2	Mr. Vinod Koduru	25000	50
Total		50000	100

Brief Financial Performance:

Particulars	For the FY ended 31 st December			(\$)
	2005	2006	2007	
Equity Share Capital	500.00	500.00	500.00	
Reserves (excluding Revaluation Reserves)	(1050.00)	(2100.00)	(2910.00)	
Less: Misc. Exp to the extent not written off	500.00	500.00	500.00	
Net Worth	(1050.00)	(2100.00)	(2910.00)	
Total Income	Nil	Nil	Nil	
PAT	(1050.00)	(1050.00)	(810.00)	
EPS (\$.)	-	-	-	
NAV per share (\$.)	-	-	-	
Face Value (\$.)	0.01	0.01	0.01	

I) BRIGHTWAY CAPITAL LIMITED

Brightway Capital Ltd. was incorporated on November 30, 2007 with the Registrar of Companies, Mauritius. The Registration Number of the company is 076133 C1/GBL. The registered office of the corporation is situated at Suite 308, St James Court, St Dennis Street, Port Louis, Republic of Mauritius.

The Company was promoted by Denis Sek Sum, Fung Kond Yune Kim, Venu Myneni and Vinod Koduru. The purpose of the corporation is to engage in qualified global business as permitted under the Financial Services Act, 2007 and any other laws for the time being in force in the Republic of Mauritius.

The Company has not commenced any business activity so far and has not acquired any fixed assets so far. Hence no profit and loss account has been prepared.

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Mr. Vinod Koduru	Director
Mr. Denis Sek Sum	Director
Mr. Fung Kong Yune Kim	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Mr. Venu Myneni	57	57
2	Mr. Vinod Koduru	43	43
Total		100	100

Face Value is USD 1.00 per share.

The Company has not commenced any business activity so far and has not acquired any fixed assets so far.

J) REDCOMET CAPITAL LIMITED

Redcomet Capital Ltd. was incorporated on September 27, 2007 with the Registrar of Companies, Mauritius. The Registration Number of the company is 074702 C2/GBL. The registered office of the corporation is situated at Suite 308, St James Court, St Dennis Street, Port Louis, Republic of Mauritius.

The Company was promoted by Mr. Venu Myneni and Mr. Vinod Koduru. The purpose of the corporation is to engage in qualified global business as permitted under the Financial Services Development Act, 2001 and any other laws for the time being in force in the Republic of Mauritius.

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Mr. Vinod Koduru	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Mr. Venu Myneni	57	57
2	Mr. Vinod Koduru	43	43
Total		100	100

Face Value is USD 1.00 per share.

The Company has not commenced any business activity so far and has not acquired any fixed assets so far.

K) FUTUREWAY CAPITAL LIMITED

Futureway Capital Ltd. was incorporated on February 21, 2008 with the Registrar of Companies, Mauritius. The Registration Number of the company is 078140 C2/GBL. The registered office of the corporation is situated at Suite 308, St James Court, St Dennis Street, Port Louis, Republic of Mauritius.

The Company was promoted by Mr. Venu Myneni and Mr. Vinod Koduru. The purpose of the corporation is to engage in qualified global business as permitted under the Financial Services Act, 2007 and any other laws for the time being in force in the Republic of Mauritius.

Board of Directors

Name of the Director	Designation
Mr. Venu Myneni	Director
Mr. Vinod Koduru	Director

Shareholding Pattern:

Sr. No.	Name of Shareholder	No of shares	% Holding
1	Mr. Venu Myneni	57	57
2	Mr. Vinod Koduru	43	43
Total		100	100

Face Value is USD 1.00 per share.

The Company has not commenced any business activity so far and has not acquired any fixed assets so far.

L) SIX SIDES PROPERTIES LLC

Six Sides Properties, LLC was incorporated as a partnership company on 28th day of December, 2006 with Pennsylvania Department of State Corporation Bureau. The Entity Number Identification of the company is 3697456. The Registered Office of the company is situated at 1948, Scranton Carbondale Highway, Scranton PA.

The Company was promoted by Siva Prasad Myneni, Venu Myneni and Vinod Koduru with a view to capitalize on opportunities in the in the Rental real estate Income sector.

Members

Name of the Director	Designation
Mr. Siva Prasad Myneni	Member
Mr. Venu Myneni	Member
Mr. Vinod Koduru	Member

Shareholding Pattern:

Sr. No.	Name of Shareholder	% Holding
1	Mr. Siva Prasad Myneni	52.00
2	Mr. Venu Myneni	24.00
3	Mr. Vinod Koduru	24.00
Total		100.00

Brief Financial Performance:

Particulars	($\text{\$}$)
	FY ended December 31, 2007
Equity Share Capital	1000.00
Additional Paid in capital (Share Application Money)	7,44,815
Reserves (excluding Revaluation Reserves)	(98067.00)
Less: Misc. Exp to the extent not written off	
Net Worth	(97067.00)
Total Income	1,40,259.00
PAT	(98,067.00)
EPS ($\text{\$}$)	-
NAV per share ($\text{\$}$)	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. You should also read the section titled 'Risk Factors' beginning on page [●] of this Draft Red Herring Prospectus, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and unless otherwise stated, is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI guidelines. Our Financial year ends on March 31 of each year.

Business Overview

We are in the business of providing a range of Information Technology solutions to companies worldwide. Primarily our focus is on the following business verticals:

- Transportation & Logistics
- Pharma & Healthcare
- Financial
- Telecom
- E-Governance
- Radsmart

Our products and solutions also cater to the following industries:

- Manufacturing
- Utilities
- Retail
- Technology Providers

Our products have been developed by combining concepts and an understanding of the need for excellence in Innovation, our expertise/experience in forging partnerships and relationships/alliances, with a strong industry business knowledge. We thereby help our clients operate at the very edge of technological advancements.

Our Company is headquartered in Bangalore, the silicon valley of India and also have our office in Hyderabad. It also has its presence in New Jersey, Texas and Connecticut in USA and in UK through its subsidiary Radiant Systems, Inc.

Our key clients (including that of our Subsidiary) in the above verticals include Fortune 500 companies like AT&T, Motorola, Novartis, Sanofi-Aventis, Pfizer, Johnson & Johnson, Hewlett Packard, Caterpillar, Coke, Goldman Sachs, Guardian, Metlife, Prudential etc,.. In India we cater to the likes of KSRTC, APSRTC, TNSETC, GSRTC, Oracle, IBM, Samsung, ITC, BEL, Government of Karnataka, Krishna Grameena Bank, State Bank of Mysore, Hindustan Lever Limited, Government of Andhra Pradesh, ECIL .

Consolidated Financial Performance of Radiant Info Systems Limited for the Year ended March 31, 2008

(Rs. in lacs)	
PARTICULARS	YEAR ENDED 31/03/2008
Total Income	17,275.88
Total Expenditure	15,022.50
Profit before Interest, Depreciation and Tax	2,253.38
Depreciation	93.21
Profit before Interest & Tax	2,160.17
Financial Charges	153.23
Profit before Taxation	2,006.94
Provision for Taxation	459.07
Provision for Deferred Tax	18.68
Provision for FBT	9.01
Profit after Tax	1,520.18
Earning Per Share (Rs.)	19.04
Net Worth	2,633.97

Significant developments:

After the date of last balance sheet i.e. March 31, 2008, our Company has made progress in the implementation of the Project, which has been detailed under section titled “Objects of the Issue” beginning on page [•] of this Draft Red Herring Prospectus. The Directors of our Company confirm that in their opinion, there have not been any significant developments.

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the *Standalone Audited Financial Results* of the Company for the years ended 31st March, 2005, 2006, 2007 & 2008.

Key factors affecting the results of operation:

The Company’s future results of operations could be affected potentially by the following factors:

- Non - receipt of pending approvals for the proposed project.
- Prevailing trends in the IT industry, to which most of the products of the Company are supplied.
- Foreign exchange rate fluctuations could have an impact on our revenues.
- Company’s ability to successfully implement their marketing, business and growth strategies.
- Changes in the regulations/regulatory framework/economic policies in India and/or in foreign countries.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer to the section titled “Financial Information” beginning on page [•] of this Draft Red Herring Prospectus.

Top Client wise revenue break-up

(Rs. in Lacs)

Particulars	2005-06	2006-07	2007-08
Gross Revenue	731.31	1,613.07	2,782.29
Top 5 Clients (Revenues)	528.95	1,146.04	2,066.19
Top 5 Clients (Revenues %)	72.33%	71.05%	74.26%
Top 10 Clients (Revenues)	649.09	1,427.89	2,432.15
Top 10 Clients (Revenues %)	88.76%	88.52%	87.42%

Industry Segment wise Revenue Break-up for Last 3 years:

(Rs. in Lacs)

Sr. No.	Industry	2005-06		2006-07		2007-08	
		Amount	%	Amount	%	Amount	%
1	Transportation	189.53	25.92%	606.63	37.61%	511.09	18.37%
2	Telecom	-	0.00%	-	0.00%	291.62	10.48%
3	Pharma & Health Care	9.03	1.23%	137.19	8.51%	558.09	20.06%
4	E-Governance	82.34	11.26%	150.29	9.32%	132.43	4.76%
5	Banking, Financial & Insurance	44.96	6.15%	111.77	6.93%	263.24	9.46%
6	RFID, Smartcards & Biometric	98.71	13.50%	113.42	7.03%	7.64	0.27%
7	IT, Recruiting & Marketing Services	220.9	30.21%	407.41	25.26%	1011.86	36.37%
8	Manufacturing	-	0.00%	-	0.00%	6.31	0.23%
9	Others	85.84	11.74%	86.34	5.35%	-	0.00%
	Total	731.31	100.00%	1,613.07	100.00%	2,782.29	100.00%

Results of Our Operations (Standalone)

(Rs. in Lacs)

Particulars	31.03.08	31.03.07	31.03.06	31.03.05
Turnover	2782.29	1613.07	731.31	428.69
Increase/Decrease (%)	72.48%	120.57%	70.59%	103.32%
Other Income	1.51	6.21	4.42	0.25
Increase/Decrease in Stocks/WIP	-2.69	-43.73	42.4	-11.8
Total Revenue	2,781.11	1,575.55	778.13	417.14
Increase/Decrease (%)	76.52%	102.48%	86.54%	77.62%
Material Purchased and Consumed	188.77	282.38	123.15	28.07
Increase/Decrease (%)	-33.15%	129.30%	338.72%	-55.46%
% to Turnover	6.78%	17.51%	16.84%	6.55%
Operating and other Expenses	51.47	21.12	25.19	14.72
Increase/Decrease (%)	143.70%	-16.16%	71.13%	24.64%
% to Turnover	1.85%	1.31%	3.44%	3.43%
Staff Cost	985.17	623.43	322.87	201.77
Increase/Decrease (%)	58.02%	93.09%	60.02%	142.37%
% to Turnover	35.41%	38.65%	44.15%	47.07%
Administrative & Other Expenses	474.27	283.93	252.96	148.74
Increase/Decrease (%)	67.04%	12.24%	70.07%	138.63%

% to Turnover	17.05%	17.60%	34.59%	34.70%
Total Expenditure	1699.68	1210.86	724.17	393.30
Increase/Decrease (%)	40.37%	67.21%	84.13%	78.44%
% to Turnover	61.09%	75.07%	99.02%	91.74%
Profit Before Depreciation, interest and Tax	1,081.43	364.69	53.96	23.84
Increase/Decrease (%)	196.53%	575.85%	126.34%	65.10%
% to Turnover	38.87%	22.61%	7.38%	5.56%
Depreciation	83.72	38.53	18.44	15.58
Increase/Decrease (%)	117.29%	108.95%	18.36%	12.33%
% to Turnover	3.01%	2.39%	2.52%	3.63%
Profit Before Interest and Tax	997.71	326.16	35.52	8.26
Increase/Decrease (%)	205.90%	818.24%	330.02%	1349.12%
% to Turnover	35.86%	20.22%	4.86%	1.93%
Interest	13.45	8.35	7.13	4.65
Increase/Decrease (%)	61.08%	17.11%	53.33%	260.47%
% to Turnover	0.48%	0.52%	0.97%	1.08%
Profit Before Tax	984.26	313.41	28.39	3.61
Increase/Decrease (%)	214.05%	1003.95%	686.43%	601.39%
% to Turnover	35.38%	19.43%	3.88%	0.84%
Provision for Tax	139.00	47.66	4.13	0.75
Increase/Decrease (%)	191.65%	1054.00%	450.67%	-57.39%
% to Turnover	5.00%	2.95%	0.56%	0.17%
Profit after Tax	845.26	265.75	24.26	2.86
Increase/Decrease (%)	218.07%	995.42%	748.25%	215.32%
% to Turnover	30.38%	16.47%	3.32%	0.67%
Effective Tax Rate	14.12%	15.21%	14.55%	20.78%

Comparison of Fiscal 2008 with Fiscal 2007:

Revenue from Operations:

Turnover

Total Income for the Fiscal 2008 increased to Rs. 2782.29 Lacs from Rs. 1613.07 Lacs in Fiscal 2007, showing a growth of 72.48%. The increase in income is mainly due to increase in the revenues from Pharma and Health Care Sector and also from addition of Telecom sector to our revenue verticals. These industry segments have contributed to additional revenue of about Rs. 712.52 Lacs. During Fiscal 2008, Pharma & Health Care segment contributed Rs. 588.09 Lacs and Telecom Sector contributed Rs. 291.62 Lacs to our revenues.

Expenditure:

Material Purchased and Consumed

Material Purchased and Consumed decreased from Rs. 282.38 Lacs for the FY 2007 to Rs. 188.77 Lacs for FY 2008 showing a decrease of 33.15%. The Material Purchased and Consumed was 6.78% of total sales during FY 2008 as against that of 17.51% during FY 2007. Material cost

mainly depends on the type of projects undertaken by the company. System integration projects involve higher material cost in terms of hardware and software procurements. In FY 2008, revenue from system integration projects was Rs. 280.85 lacs as against approximately Rs. 468.96 lacs for the FY 2007 showing a decrease of Rs. 188.11 lacs.

Operating and Other Expenses:

Operating and Other Expenses increased from Rs. 21.12 lacs for the FY 2007 to Rs. 51.45 Lacs for FY 2008 showing an increase of 143.70%. This increase was mainly due to increase in communication cost by Rs. 11.68 Lacs and cost relating to smart cards by Rs. 5.71 Lacs. Operating and Other Expenses stood at 1.31% and 1.85% of total sales for FY 2007 and FY 2008 respectively.

Staff Cost:

Staff Cost increased to Rs. 985.17 Lacs for the FY 2008 from Rs. 623.43 Lacs for FY 2007 showing an increase of 58.02%. There was a general increase in salaries, wages, bonus and allowances. Also the staff strength which was 307 as at March 31, 2007 was increased to 393 employees as at March 31, 2008. The staff cost stood at 38.65% and 35.41% of total sales for FY 2007 and FY 2008 respectively.

Administrative and other Expenses:

Administrative Expenses increased from Rs. 283.93 Lacs for the FY 2007 to Rs. 474.27 Lacs for FY 2008 showing an increase of 67.04%. During FY 2008, the administrative and other expense was 17.05% of total sales as against 17.60% during FY 2007. The increase in the administrative expenses is mainly on account of increase in turnover and also increase in expenses like Rent, Telephone, Travelling and Consultancy charges by Rs. 60.17 Lacs, Rs. 21.35 Lacs, Rs. 23.46 Lacs and Rs. 39.77 Lacs respectively.

Profit before Depreciation, Interest and Tax (PBDIT):

PBDIT increased from Rs. 364.69 Lacs for the FY 2007 to Rs. 1081.43 Lacs for the FY 2008 showing an increase of approximately 196.53%. During FY 2008, the Company recorded PBDIT of 38.87% of the total sales as against 22.61% during FY 2007. This increase in PBDIT was primarily due to increase in the export turnover from Rs. 677.37 lacs to 2012.92 lacs and also decrease in the material consumption cost on account of less number of system integration projects undertaken during FY 2008.

Depreciation:

Depreciation increased from 38.53 Lacs for the FY 2007 to Rs. 83.72 Lacs for the FY 2008 showing an increase of 117.29%. Depreciation on fixed assets increased mainly on account of capitalisation of software developed by the company in later half of FY 2007 on which only pro-rata depreciation was charged. During FY 2008, addition of 16.67% was made to the opening balance gross block. Depreciation on fixed assets was 3.01% of total sales during FY 2008 as compared to 2.39% during FY 2007.

Financial Expenses:

Interest / Financial Charges cost increased from Rs. 8.35 Lacs for FY 2007 to Rs. 13.45 Lacs for the FY 2008 showing an increase of 61.08%. Financial expenses accounted to 0.48% of total sales during FY 2008 as against 0.52% in the year 2007. The increase is due to increase in secured loans by 87.29 Lacs (146.04%).

Profit after Tax:

PAT increased from Rs. 265.75 Lacs for the FY 2007 to Rs. 845.26 Lacs in FY 2008 showing a increase of 218.07%. During FY 2008, the Company recorded PAT of 30.38% of the total sales as against 16.47% during FY 2007. The increase in PAT is mainly on account of increase in export turnover of the company from 41.99% of the total revenue for FY 2007 to 72.35% for the FY 2008.

Comparison of Fiscal 2007 with Fiscal 2006:**Revenue from Operations:****Turnover**

Total Income for the Fiscal 2007 increased to Rs. 1613.07 Lacs from Rs. 731.31 Lacs in Fiscal 2006, showing a growth of 120.57%. The increase in income is mainly due to increase in the revenues from Pharma and Health Care, Transportation and IT segments. These industry segments have contributed to additional revenue of about Rs. 725.49 Lacs. During Fiscal 2007, Pharma & Health Care segment contributed Rs. 137.19 Lacs, Transportation Rs. 606.63 Lacs and IT Segment contributed Rs. 273.24 Lacs to our revenues as against Rs. 9.03 Lacs, Rs. 189.53 Lacs and 93.02 Lacs respectively for the FY 2006.

Expenditure:**Material Purchased and Consumed**

Material Purchased and Consumed increased from Rs. 123.15 Lacs for the FY 2006 to Rs. 282.38 Lacs for FY 2007 showing an increase of 129.30%. The Material Purchased and Consumed was 17.51% of total sales during FY 2007 as against that of 16.84% during FY 2006. Material cost mainly depends on the type of projects undertaken by the company. System integration projects involve higher material cost in terms of hardware and software procurements. In FY 2007, revenue from system integration projects was Rs. 468.96 lacs as against approximately Rs. 239.67 lacs for the FY 2006 showing an increase of Rs. 229.29 lacs.

Operating and Other Expenses:

Operating and Other Expenses decreased from Rs. 25.19 lacs for the FY 2006 to Rs. 21.12 Lacs for FY 2007 showing a decrease of 16.16%. This decrease was mainly due to decrease communication cost by Rs. 15.28 Lacs which was offset by increase in Business development Cost by 11.26 Lacs. Operating and Other Expenses stood at 3.44% and 1.31% of total sales for FY 2006 and FY 2007 respectively.

Staff Cost:

Staff Cost increased to Rs. 623.43 Lacs for the FY 2007 from Rs. 322.87 Lacs for FY 2006 showing an increase of 93.09%. There was a general increase in salaries, wages, bonus and allowances. Also the staff strength which was 160 as at March 31, 2006 was increased to 307 employees as at March 31, 2007. The staff cost stood at 44.15% and 38.65% of total sales for FY 2006 and FY 2007 respectively.

Administrative and other Expenses:

Administrative Expenses increased from Rs. 252.96 Lacs for the FY 2006 to Rs. 283.93 Lacs for FY 2007 showing the increase of 12.24%. During FY 2007, the administrative and other expense

was 17.60% of total sales as against 34.59% during FY 2006. The increase in the administrative expenses is mainly on account of increase in turnover and also increase in travelling expenses.

Profit before Depreciation, Interest and Tax (PBDIT):

PBDIT increased from Rs. 53.96 Lacs for the FY 2006 to Rs. 364.69 Lacs for the FY 2007 showing an increase of approximately 575.85%. During FY 2007, the Company recorded PBIDT of 22.61% of the total sales as against 7.38% during FY 2006. This increase in PBDIT was primarily due to the product development efforts resulting in developed software. The expenditure incurred during the year amounting to Rs. 227.36 lacs on these developed softwares was capitalised in FY 2007 as against Rs. 78.71 lacs for FY 2006. Further the export turnover has also gone up from Rs. 343.12 lacs for FY 2006 to Rs 673.30 lacs for the FY 2007.

Depreciation:

Depreciation increased from 18.44 Lacs for the FY 2006 to Rs. 38.53 Lacs for the FY 2007 showing an increase of 108.95%. Depreciation on fixed assets increased mainly on purchase / acquisition of new fixed assets during the FY 2007. Gross block for the year FY 2006 was Rs. 276.29 Lacs and it increased to Rs. 572.44 Lacs as at March 31, 2007.

Financial Expenses:

Interest / Financial Charges cost increased from Rs. 7.13 Lacs for FY 2006 to Rs. 8.35 Lacs for the FY 2007 showing an increase of 17.11%. Financial expenses accounted to 0.52% of total sales during FY 2007 as against 0.97% in the year 2006. The increase is due to increase in secured loans by Rs. 30.50 Lacs.

Profit after Tax:

PAT increased from Rs. 24.26 Lacs for the FY 2006 to Rs. 265.75 Lacs in FY 2007 showing a increase of 995.42%. During FY 2007, the Company recorded PAT of 16.47% of the total sales as against 3.32% during FY 2006. This increase in PAT was primarily due to the product development efforts resulting in developed software. The expenditure incurred during the year amounting to Rs. 227.36 lacs on these developed softwares was capitalised in FY 2007 as against Rs. 78.71 lacs for FY 2006. Further the export turnover for the FY 2007 has also gone up by approximately by 96% as compared to FY 2006.

Comparison of Fiscal 2006 with Fiscal 2005

Revenue from Operations:

Turnover

Total Income for the Fiscal 2006 increased to Rs. 731.31 Lacs from Rs. 428.69 Lacs in Fiscal 2005, showing a growth of 70.59%. The increase in income is mainly due to increase in the revenues from transport, egovernance products/solutions and IT consulting services. These industry segments have contributed to additional revenue of about Rs. 281 lacs. During Fiscal 2006, Transport & logistic segment contributed Rs. 145 lacs, E-governance segment contributed Rs. 31 lacs and IT consulting services Rs. 105 lacs to our revenues.

Expenditure:

Material Purchased and Consumed

Material Purchased and Consumed increased from Rs. 28.07 Lacs for the FY 2005 to Rs. 123.15 Lacs for FY 2006 showing an increase of 338.72%. The Material Purchased and Consumed was

16.84% of total sales during FY 2006 as against that of 6.55% during FY 2005. Material cost mainly depends on the type of projects undertaken by the company. System integration projects involve higher material cost in terms of hardware and software procurements. In FY 2006, revenue from system integration projects was Rs. 239.67 lacs as against Rs. 50.50 lacs for the FY 2005 showing an increase of Rs. 189.17 lacs.

Operating and Other Expenses:

Operating and Other Expenses increased from Rs. 14.72 lacs for the FY 2005 to Rs. 25.19 Lacs for FY 2006 showing an increase of 71.13%. This increase was mainly due to increase in communication cost by Rs. 11.98 Lacs. Operating and Other Expenses stood at 3.43% and 3.44% of total sales for FY 2005 and FY 2006 respectively.

Staff Cost:

Staff Cost increased to Rs. 322.87 Lacs for the FY 2006 from Rs. 201.77 Lacs for FY 2005 showing an increase of 60.02%. There was a general increase in salaries, wages, bonus and allowances. Also the staff strength which was 120 as at March 31, 2005 was increased to 160 employees as at March 31, 2006. The staff cost stood at 47.07% and 44.15% of total sales for FY 2005 and FY 2006 respectively.

Administrative and other Expenses:

Administrative Expenses increased from Rs. 148.74 Lacs for the FY 2005 to Rs. 252.96 Lacs for FY 2006 showing the increase of 70.07%. During FY 2006, the administrative and other expense was 34.59% of total sales as against 34.70% during FY 2005. The increase in the administrative expenses is mainly on account of increase in turnover and also increases in expenses like Consultancy charges including legal and technical consultancy charges.

Profit before Depreciation, Interest and Tax (PBDIT):

PBDIT increased from Rs. 23.84 Lacs for the FY 2005 to Rs. 53.96 Lacs for the FY 2006 showing a increase of approximately 126.34%. During FY 2006, the Company recorded PBIDT of 7.38% of the total sales as against 5.56% during FY 2005. This increase in PBDIT was primarily due to the product development efforts resulting in developed software. The expenditure incurred during the year amounting to Rs. 78.71 lacs on these developed softwares was capitalised in FY 2006 as against Nil for FY 2005.

Depreciation:

Depreciation increased from Rs. 15.58 Lacs for the FY 2005 to Rs. 18.44 Lacs for the FY 2006 showing an increase of 18.36%. Gross block for the year FY 2005 was Rs. 156.26 Lacs and it increased to Rs. 276.29 Lacs as at March 31, 2006. Depreciation on fixed assets was 2.52% of total sales during FY 2006 as compared to 3.63% during FY 2005.

Financial Expenses:

Interest / Financial Charges cost increased from Rs. 4.65 Lacs for FY 2005 to Rs. 7.13 Lacs for the FY 2006 showing an increase of 53.33%. Financial expenses accounted to 0.97% of total sales during FY 2006 as against 1.08% in the year 2005. The increase is due to increase in unsecured loans by 60.79 Lacs.

Profit after Tax:

PAT increased from Rs. 2.86 Lacs for the FY 2005 to Rs. 24.26 Lacs in FY 2006 showing a increase of 748.25%. During FY 2006, the Company recorded PAT of 3.32% of the total sales as against 0.67% during FY 2005. This increase in PAT was primarily due to the product development efforts resulting in developed software. The expenditure incurred during the year amounting to Rs. 78.71 lacs on these developed softwares was capitalised in FY 2006 as against Nil for FY 2005.

Related Party Transactions

For details of related party transactions, please refer to the section titled “Related Party Transactions” beginning on page [●] of this Draft Red Herring Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in interest rates and inflation.

Interest Rate Risk

Our interest rate risk results from changes in interest rates, which may affect our finance expenses. We bear interest rate risk with respect to the debts, which we have for the FY ended March 31, 2008, since the interest rates could fluctuate in the near future. Any rise in interest rates would result in higher interest bearing debts.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions.

There have been no unusual or infrequent transactions that have taken place.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Government’s focus on the IT and ITES Sector will have a major bearing on the companies involved in this Industry. Accordingly, any major changes in the policies of the Government could have an impact on the profitability of our Company.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks factors disclosed in this Draft Red Herring Prospectus, there are no other trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

The Company’s future costs and revenues will be determined by demand/supply situation, government policies.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Material increase in revenue from operations has been due to the implementation of products in transport and logistic verticals like OPRS (Online Passenger Reservation System) in KSRTC / E-governance product deployment with Government of AP.

6. Total turnover of each major industry segment in which the issuer company operated.

Please refer to page [●] under the heading ‘Industry Overview’.

7. Status of any publicly announced new products or business segment.

The Company has not announced any new product and segment except in the ordinary course of our business.

8. The extent to which business is seasonal.

The Company’s business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

The % of contribution of the Company’s customers is given below:

Customers’ contribution:

(Rs. in Lacs)			
Particulars	2005-06	2006-07	2007-08
Top 5 Clients (Revenues)	528.95	1,146.04	2,066.19
Top 5 Clients (Revenues %)	72.33%	71.05%	74.26%
Top 10 Clients (Revenues)	649.09	1,427.89	2,432.15
Top 10 Clients (Revenues %)	88.76%	88.52%	87.42%

10. Competitive conditions.

Competitive conditions are as described under the sections titled “Industry Overview” and “Business Overview” on page [●] & [●] respectively of this Draft Red Herring Prospectus.

SECTION VIII - LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS

Except as stated below, there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Promoters, Directors or Promoter Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions, by our Company, Promoter, Directors or Promoter Group Companies, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Subsidiaries, our Promoters, Promoter Group companies or our Directors, that may have a material adverse effect on our financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoter, the Directors or the Promoters Group companies, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Further, except as stated herein, there are no cases of litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated with those litigation(s).

(A) Details of litigations that the Promoters and Promoter Group entities are party to:

I. Criminal Proceedings:

(i) Filed by Promoter:-

A Criminal complaint dated March 2004 was filed by our Promoter, Mr. Venu Myneni against Mr. A. Venkatramani, with the Deputy Commissioner of Police, Central Crime Branch, Chennai. Pursuant to the above, Mr Venu Myneni has filed a civil suit (C.S No1088 of 2007) in the High Court of Judicature at Madras, details of which are provided in II (ii) below. *However, our Promoters, Mr. Venu Myneni and Mr. Vinod Koduru have entered in to a Settlement Agreement dated July 08, 2008 inter alia with Mr. A. Venkataramani in order to settle all the claims inter se and to withdraw all the civil and criminal cases against each other.*

(ii) Filed against Promoter

A Complaint bearing C.C No. 106 of 2007 was filed by Mr. R. Chandrasekaran, Manager, M/s. Kaashyap Technologies Limited (earlier known as Kaashyap Radiant Systems Limited) against Mr. Venu Myneni and Mr. Vinod Koduru, being the promoters of our Company under Section 323(voluntarily causing hurt), 341(wrongful restraint) and 506 (ii) (criminal intimidation) of the Indian Penal Code, 1890 in the Court of the Judicial Magistrate II at Thiruvallore. *However, our Promoters, Mr. Venu Myneni and Mr. Vinod Koduru have entered in to a Settlement Agreement dated July 08, 2008 inter alia with Mr. R. Chandrasekaran in order to settle all the claims inter se and to withdraw all the civil and criminal cases against each other. Pursuant to the same, a Memo for the withdrawal of the aforesaid criminal case in the Court of the Judicial Magistrate II at Thiruvallore has been filed and the final decree is awaited.*

II. Civil Proceedings:

a) Filed by Promoter:

(i) C.S No. 1097 of 2007

A civil case bearing C.S No 1097 of 2007 was filed by Mr. Vinod Koduru, our Promoter against Kaashyap Technologies Ltd., Mr. A. Venkataramani and Trident Investment and Portfolio Services (P) Limited before the High Court of Judicature at Madras. This was regarding a dispute pertaining to the terms of the Technical Collaboration Agreement and Joint Venture Agreement entered in to by the parties (i.e. Mr. Venaktaramani, Mr. Venu Myneni, Mr. Vinod Koduru and Radiant Systems, Inc.) on 20.01.1998.

However, our Promoters, Mr. Venu Myneni and Mr. Vinod Koduru and Radiant Systems, Inc. have entered in to a Settlement Agreement dated July 08, 2008 inter alia with Mr. A. Venkataramani and Kaashyap Technologies Ltd. in order to settle all the claims inter se and to withdraw all the civil and criminal cases against each other. Pursuant to the same, a Memo for the withdrawal of the aforesaid case in the High Court of Judicature at Madras has been filed and the final decree is awaited.

(ii) C.S No. 1088 of 2007

A civil case bearing 1088 of 2007 was filed by Mr. Venu Myneni, our Promoter against Kaashyap Technologies Ltd., Mr. A. Venkataramani and Trident Investment and Portfolio Services (P) Limited before the High Court of Judicature at Madras. This was regarding the dispute pertaining to the terms of the Technical Collaboration Agreement and Joint Venture Agreement entered in to by the parties (i.e. Mr. Venaktaramani, Mr. Venu Myneni, Mr. Vinod Koduru and Radiant Systems, Inc.) on 20.01.1998.

However, our Promoters, Mr. Venu Myneni and Mr. Vinod Koduru have entered in to a Settlement Agreement dated July 08, 2008 inter alia with Mr. A. Venkataramani and Kaashyap Technologies Ltd in order to settle all the claims inter se and to withdraw all the civil and criminal cases against each other. Pursuant to the same, a Memo for the withdrawal of the aforesaid case in the High Court of Judicature at Madras has been filed and the final decree is awaited.

b) Filed against the Promoter:

A civil case bearing no. O.S No. 4221 of 2007 was filed by Mr. Venkataramani, the Managing Director of M/s. Kaashyap Technologies Limited (earlier known as Kaashyap Radiant Systems Limited) against Mr. Vinod Koduru, our Promoter in the City Civil Court of Assistant Judge, Chennai. The said case was with regard to the terms of the Technical Collaboration Agreement and Joint Venture Agreement entered in to by the parties (i.e. Mr. Venaktaramani, Mr. Venu Myneni, Mr. Vinod Koduru and Radiant Systems, Inc.) on 20.01.1998.

Our Promoters, Mr. Venu Myneni and Mr. Vinod Koduru have entered in to a Settlement Agreement dated July 08, 2008 inter alia with Mr. A. Venkataramani and Kaashyap Technologies Ltd in order to settle all the claims inter se and to withdraw all the civil and criminal cases against each other. Pursuant to the same, a Memo for the withdrawal of the aforesaid case in the Court of City Civil Court of Assistant Judge, Chennai has been filed and the final decree is awaited.

III. Labour Proceedings:

NIL

IV. Statutory Proceedings

(i) Excise Matters

NIL

(ii) Service Tax Matters

NIL

(iii) Income Tax Matters

NIL

(iv) Sales Tax Matters

NIL

V. Consumer Proceedings

NIL

(B) Details of litigations that our Company is party to:

I. Criminal Proceedings:

a) Filed by Company :

Sr. No.	Particulars of the Document	Details/Facts of the case	Status
1.	Complaint dated July 12, 2007 filed with the Inspector of Police, Banashankari Police Station, Bangalore filed by our Company against Mr. Atul Paswan	Our Company, the Complainant had appointed Mr. Atul Paswan as its Business Development Manager and issued appointment letter dated 01.10.2004. Since Mr. Paswan claimed that he was well versed in Japanese language and claimed to have wide experience in marketing, he was entrusted with the responsibility of taking care of the front-end business operations and setting up of operations in Japan on our Company's behalf. It was further alleged in our complaint that our Company had sent Mr. Paswan to Japan and had also funded his expenses. However, Mr. Paswan allegedly failed to communicate to our Company's management and did not give proper account of his expenses. It was therefore alleged that he has transferred the money given by our Company to his personal account in Bangalore and have wrongfully misappropriated the amounts. Therefore, our Company filed the said complaint for the offences allegedly committed by him including criminal breach of trust, cheating, misappropriation of funds paid to him for company expenses etc. which are punishable offences under the provisions of Indian Penal Code. Mr. Paswan has replied to the said complaint on August 07, 2007 and has denied the allegations of our Company.	Our Company is in the process of filing a private complaint in this regard.

		The police upon inquiry has informed our Company in writing that the said complaint filed by our Company relates to the terms and conditions regarding the appointment of Mr. Paswan and is civil in nature and therefore instructed our Company to proceed in the appropriate court of jurisdiction.	
--	--	---	--

II. Civil Proceedings:

Nil

III. Labour Proceedings:

Nil

IV. Statutory Proceedings

(i) Excise Matters

Nil

(ii) Service Tax Matters

Nil

(iii) Income Tax Matters

Nil

(iv) Sales Tax Matters

Nil

V. Consumer Proceedings

Sr. No.	Details of the Case		Brief Facts	Status
	Suit/Case No. filed before:	Parties		
(1)	Consumer Disputes Redressal Forum -I , Hyderabad CC No. 04 of 2008	Mr. Yadagir Shanganti(Complainant) And 1. Radiant Info Systems Pvt. Ltd. 2. Bharat Electronics Ltd. 3. Commissioner EDS, eSava (Opposite Parties)	Mr. Yadagir Shanganti, the Complainant in the present case had approached our Company to act as a franchisee and to open the Rajiv Internet Center. The Complainant allegedly had in this regard, rented premises, invested in furniture and fixtures and hired staff. The services as per the franchise agreement between our Company and its franchisee, Mr. Yadagir Shanganti were supposed to have started on September 2006. It has been alleged that our Company had failed to provide the services as agreed in the franchise agreement and therefore, Mr.Yadagir Shanganti had suffered heavy expenditure and losses towards the	<i>Pending. The next hearing date is August 11, 2008.</i>

			<p>maintenance of the entire set up.</p> <p>Consequently, the Complainant issued a Legal Notice dated September 14, 2007 through his Advocate.</p> <p>The Complainant has also approached the Hon'ble Consumer Disputes Redressal Forum and has prayed for the following:</p> <ol style="list-style-type: none"> 1. Awarding the compensation of Rs.5,61,000/- with future interest @ 24% per annum being the sum total of; <ol style="list-style-type: none"> a) Rs.135000/- paid by the complainant to the Opp. Party no.1 b) Rs.1,000000/- incurred by the complainant towards the organizational set up c) Rs.126000/- i.e. the recurring expenses @ (Rs.7500/- salary +Rs.3000/- rent) d) Rs.1,00,000/- towards the mental agony suffered e) Rs.1,00,000/- towards loss of opportunity suffered by the complainant by investing time and energy in the project 2. Awarding the costs of the complainant 3. Any other equitable relief or reliefs to which the complainant is found entitled <p>Our Company has filed a counter affidavit in the District Consumer Forum denying the averments made in the complaint by Mr. Yadagir Shanganti.</p> <p>Our Company has stated that the agreement between the Complainant and our Company is a commercial transaction and that the Complainant has approached the incompetent court for a remedy.</p> <p>Our Company has further submitted that the services which are rendered by the Commissioner EDS Government of Andhra Pradesh have been rendered to the</p>	
--	--	--	---	--

			<p>Complainant and hence the allegation of deficiency of services is not true.</p> <p>Our Company has prayed to the District Consumer Forum to dismiss the petition as the Hon'ble Forum does not have jurisdiction to allow the petition.</p>	
(2)	<p>District Consumer Redressal Forum, Chittoor</p> <p>C.D. No. 03 of 2008</p>	<p>V. Saravana Kumar (the Complainant)</p> <p>And</p> <p>1. Radiant Info Systems Private Limited</p> <p>2. The Senior Manager, Franchise Operations,</p> <p>3. Radiant Info System Private Limited</p> <p>4. The Co-ordinator, Radiant Info System Private Limited (Respondents)</p>	<p>Mr. V. Saravana Kumar, the Complainant has approached the respondents to start franchise to operate Rajiv Internet Center and has paid a sum of Rs.1,60,000/- as deposit amount. He has allegedly also invested in the furniture, fixture and other items for opening the said center. The Complainant has alleged deficiency of services on the part of the respondents and has therefore approached the District Consumer Redressal Forum for passing an order:</p> <ol style="list-style-type: none"> Directing the respondents to refund the deposit amount of Rs.1,60,000/- with interest @24% p.a from the date of deposit till realization and also interest on at 24% p.a. paid to the building owner by the complainant for the period of 14 months till the realization Directing the respondents to pay Rs.50,000/- towards loss of earning and loss and also furniture cost of Rs.23,000/- with interest at 24% p.a Directing the respondents to pay the sum of Rs.1,00,000/- as compensation on account of deficiency of services on the part of the respondents Directing the respondents to pay sum of Rs.1,00,000/- as compensation on account of deficiency of services Directing the respondents to pay the cost of the complaint And pass such other orders. <p>Our Company has filed a counter affidavit in the District Consumer Forum denying the averments made in the complaint by Saravana Kumar.</p> <p>Our Company has stated that the agreement between the Complainant and our Company is a commercial transaction and it is alleged that the Complainant</p>	<p><i>Pending. The next hearing date is August 09, 2008.</i></p>

			<p>has approached the incompetent court for a remedy.</p> <p>Our Company has further submitted that the services which are rendered by the Commissioner EDS Government of Andhra Pradesh have been rendered to the Complainant and hence the allegation of deficiency of services is not true.</p> <p>Our Company has prayed to the District Consumer Forum to dismiss the petition as the Hon'ble Forum does not have jurisdiction to allow the petition.</p>	
(3)	<p>District Forum, West Godavari, Eluru</p> <p>Consumer Dispute No. 92/2008</p>	<p>Kandi Kamal Vishnu (the Complainant)</p> <p>And</p> <p>M/s. Radiant Info Systems represented by C Narayanacharyal u</p> <p>M/s. Radiant Info Systems</p> <p>Sri Tallapragada Subbarao, District Co-ordinator, Radiant Info Systems Limited (the Opposite Parties)</p>	<p>The third opposite Party, Sri Tallapragada Subbarao had approached the Complainant to start franchise to operate Rajiv Internet Center and the Complainant has paid a sum of Rs.2, 25,000/- as deposit amount to the Second Opposite Party. The Complainant has stated that the complainant had setup the office along with the furnitures and paid electricity bills to maintain the same, however the services for the franchisee were not provided to the Complainant.</p> <p>The Complainant has further stated that the Opposite Parties failed to provide the services as committed by the Opposite Parties and further alleged deficiency of services by Opposite Parties.</p> <p>The Complainant has prayed to the Honble Forum to pass a award in his favour.</p>	<p><i>The case is pending and the next hearing date is August 18, 2008.</i></p>
(4)	<p>District Consumer Redressal Forum, Chittoor No. [•]/2008</p>	<p>A. Sivakumar Reddy (Complainant)</p> <p>And</p> <p>Radiant Info System Pvt Ltd.</p> <p>Senior Manager (Franchise Operations) Radiant Info Systems Pvt Ltd</p>	<p>The Complainant has approached the Respondents to start franchise to operate Rajiv Internet Center and has paid a sum of Rs.2, 00,000/- as deposit amount. He had also invested in the shop, furniture, fixture and other items for opening the said center. The Complainant has alleged deficiency of services on the part of the respondents and has therefore approached the District Consumer Redressal Forum for passing an order:</p> <p>a) directing the respondents to refund the deposited amount of Rs. 2,00,000 with interest at the rate of 24% p.a from</p>	<p><i>The case is pending and the next hearing date is July 25, 2008.</i></p>

		Co-ordinator, Radiant Info Systems Pvt Ltd., Chittor	<p>the date of deposit til realization and also an interest at the rate of 24% p.a on shop advance amount of Rs. 30,000 from march 2005 till today and also monthly rents of Rs. 1,500 with interest at the rate of 24% p.a from March 2005 to till realization.</p> <p>b) directing the respondents to pay the Rs. 1,36,000 towards the loss of earnig and loss caused by the respondents while the complainant was running the village internet centre at Mangalam.</p> <p>a) directing the respondents to pay a sum of Rs. 1,00,000 as compensation on account of deficiency of services , Rs. 30,000 with interest of 24% for furniture, Rs. 2,000 with 24% interest from November 2005 to May 2007 for operators salary, Rs. 80,000 for electricity charges from May 2007 onwards till realization.</p> <p>b) Directing the respondents to pay the cost of this complaint and pass any such orders.</p>	
(5)	District Consumer Redressal Forum, Chittor No. [] /2008	<p>G.Ravi (Complainant)</p> <p>And</p> <p>Radiant Info System Pvt Ltd.</p> <p>Senior Manager (Franchise Operations) Radiant Info Systems Pvt Ltd</p> <p>Co-ordinator, Radiant Info Systems Pvt Ltd., Chittor</p>	<p>The Complainant has approached the Respondents to start franchise to operate Rajiv Internet Center and has paid a sum of Rs.2, 00,000/- as deposit amount. He has also invested in the shop, furniture, fixture and other items for opening the said center. The Complainant has alleged deficiency of services on the part of the respondents and has therefore approached the District Consumer Redressal Forum for passing an order:</p> <p>a) directing the respondents to refund the deposited amount of Rs. 2,00,000 with interest at the rate of 24% p.a from the date of deposit til realization and also an interest at the rate of 24% p.a on shop advance amount of Rs. 30,000 from march 2005 till today and also monthly rents of Rs. 1,500 with interest at the rate of 24% p.a from March 2005 to till realization.</p> <p>b) directing the respondents to pay the Rs. 1,36,000 towards the loss of earnig and loss caused by the respondents while the complainant was running the village internet centre at Mangalam.</p>	<i>The case is pending and the next hearing date is July 25, 2008.</i>

			<p>c)directing the respondents to pay a sum of Rs. 1,00,000 as compensation on account of deficiency of services , Rs. 30,000 with interest of 24% for furniture, Rs. 2,000 with 24% interest from November 2005 to May 2007 for operators salary, Rs. 80,000 for electricity charges from May 2007 onwards till realization.</p> <p>d) Directing the respondents to pay the cost of this complaint and pass any such orders.</p>	
(6)	District Consumer Redressal Forum, Chittor C.C No. 29 /2008	V. Prakash (Complainant) And Radiant Infosystem Pvt Ltd.	<p>The Complainant has approached the Respondents to start franchise to operate Rajiv Internet Center and has paid a sum of Rs.2, 25,000/- as deposit amount. He has also invested in the shop, furniture, fixture and other items for opening the said center. The Complainant has alleged deficiency of services on the part of the respondents and has therefore approached the District Consumer Redressal Forum for passing an order:</p> <p>a) directing the respondents to refund the deposited amount of Rs. 2,50,000 with interest at the rate of 24% p.a from the date of deposit til realization and also an interest at the rate of 24% p.a on shop advance amount of Rs. 10,000 from December 2005 till today and also monthly rents of Rs. 1,400 with interest at the rate of 24% p.a from December 2005 to till realization.</p> <p>b) directing the respondents to pay the Rs. 1,00,000 towards the loss of earnig and loss caused by the respondents while the complainant was running the village internet centre at Mangalam.</p> <p>c)directing the respondents to pay a sum of Rs. 1,00,000 as compensation on account of deficiency of services , Rs. 54,000 with interest of 24% for furniture, Rs. 2,000 with 24% interest from September 2006 to June 2007 for operators salary, Rs. 20,000 for electricity charges from June 2007 onwards till realization.</p> <p>d) Directing the respondents to pay the</p>	<i>The case is pending. The next hearing date is July 25, 2008</i>

			cost of this complaint and pass any such orders.	
--	--	--	--	--

VI. NOTICES/LEGAL NOTICES ISSUED BY AND AGAINST OUR COMPANY:

Sr. No.	Particulars of the Document	Details/Facts of the case	Status
(1)	Legal Notice dated August 01, 2007 issued by Advocate Poornima R. on behalf of our Company against the Commissioner, EDS (eSeva), Andhra Pradesh.	Our Company along with Bharat Electronics Limited (BEL) had teamed up and had submitted a bid for setting up Rajiv Internet centers in rural areas as part of the e-Governance programme in the State of Andhra Pradesh. The said contract was awarded by the Government of Andhra Pradesh represented by the Commissioner, EDS (eSeva), Andhra Pradesh to the consortium lead by BEL. Subsequent to the Letter of Intent, a formal contract was signed on September 01, 2005 by BEL with the Government of Andhra Pradesh. BEL had entered in to a contract with our Company on August 31, 2005. Our Company had carried out the obligations as per the terms of the contract and had set up infrastructure and invested money and time in the project. Due to inordinate delay in the project implementation, our Company had to pay huge compensation to the franchisees and also spent large sum of money in this regard. Subsequently, at a ministerial meeting it was decided that the said Rajiv project will be shelved and that a new common service centers will be set up. In the light of the above, our Company had issued the legal notice to Commissioner, EDS (eSeva), Andhra Pradesh so that any commitments made by BEL under the new scheme shall be as per the approval of our Company since the Company through its franchisees, had made lot of investments in the project. Our Company had also called up on the Government of Andhra Pradesh to take responsibility for the investment made by our Company amounting to 8.6 crores in the project and the franchisee till date as well the losses suffered therein.	The Commissioner, EDS (eSeva), Andhra Pradesh has duly replied on 16/08/2007. Subsequently, our Company has replied on 21/09/2007 stating the hardship caused to us and our franchisees due to the winding up of the said project.

Consequently, certain franchisees appointed by our Company in respect of the abovementioned project have issued legal notices to our Company. In the said legal notices the franchisees have stated that they consented to act as our franchisees for opening and maintaining the Rajiv Internet Center by entering into franchise agreements with our Company. The franchisees have stated that they paid the necessary security deposits and incurred expenses towards setting up infrastructure in this regard. It has been alleged that our Company failed to provide all the necessary services as per the terms of franchise agreements and therefore the franchisees have proceeded to issue the following legal notices through their advocates and called upon our Company to refund the security deposit, expenses and investment and also pay damages which have been incurred in setting up the kiosks. The franchisees' demand of payments amounts collectively to approximately Rs. 74,00,000/- . The list of notices received by our Company in this regard is provided below:-

Sr. No.	Particulars of the Document
1.	Notice dated September 28, 2006 issued by Mr. V. Shesha Giri to the Company
2.	Legal Notice dated July 31, 2007 issued by Advocate, Mr. K. Upendraiah on behalf Mr. A.M Krishnaiah Chetty
3.	Legal Notice dated July 31, 2007 issued by Advocate, Mr. K. Upendraiah on behalf Mr. V. Prakash
4.	Legal Notice dated July 31, 2007 issued by Advocate, Mr. K. Upendraiah on behalf Mr. D. Rajendra Prasad
5.	Legal Notice dated July 31, 2007 issued by Advocate, Mr. K. Upendraiah on behalf Ms. Sri Devi
6.	Legal Notice dated July 31, 2007 issued by Advocate, Mr. K. Upendraiah on behalf Mr. E. R Badrinath
7.	Legal Notice dated September 14, 2007 issued by Advocate Mr. G.K Deshpande on behalf of Mr. Yadagir Shanganti
8.	Legal Notice dated October 22, 2007 issued by Advocate Mr. S. Maruthi Prasad on behalf of Mr. Sugguna Sreenivas
9.	Legal Notice dated December 12, 2007 issued by Advocate A.A. Raheem on behalf of Mr. Md. Mahemood Ali
10.	Legal Notice dated December 03, 2007 issued by Advocate Mr. V.N Hanumantha Rao on behalf of Mr. Tenneti Prabhakar Rao
11.	Legal Notice dated December 04. 2007 issued by Mr. K. Upendraiah on behalf of Mr. A. Munisankar Naryana
12.	Notice issued by Mr. P. Venkata Ramana dated November 30, 2007
13.	Legal Notice dated January 10, 2008 issued by Advocate Mr. K. Upendraiah on behalf of Mr. A. Siva Kumar Reddy
14.	Legal Notice dated January 10, 2008 issued by Advocate Mr. K. Upendraiah on behalf of Mr. G. Ravi
15.	Legal Notice dated March 15, 2007 issued by Advocate Mr. D. Subba Reddy on behalf of Mr. Y.R.N Suresh Babu
16.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Kolla Pavan Kumar
17.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Smt. D. Adhilakshmi
18.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Mr. A. Phani Raju
19.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Mr. T. Sreenivasa Reddy
20.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Mr. Pendyala Narasimha Rao
21.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Mr. G. Narasimha Rao
22.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Mr. M. Chandra Sekhar
23.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Mr. Y. R. N Suresh Babu
24.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Ms. T. Suneetha
25.	Legal Notice dated February 04, 2008 issued by Advocate K. Upendraiah on behalf of Mr. S.V Sreenivasulu

Our Company has replied to all of the above notices stating that our Company had entered into the franchisee agreements in terms of the agreement entered into with BEL and that the

money if any received from the franchisees has been utilized for the Rajiv Internet Villages which was essentially awarded to BEL. Thus, our Company is not solely responsible for the payments made by the franchisees. Further, our Company has also stated that the allegations of non-performance are false as the Company has performed all the services that had been awarded under the consortium and the obligations related to data access have been fulfilled in accordance to the contract awarded.

Our Company has also stated in its reply that it has issued a notice against the against the Commissioner, EDS (eSeva), Andhra Pradesh and that our Company has also called up on the Government of Andhra Pradesh to take responsibility for the investment made by the Company (amounting to 8.6 crores) and the franchisee till date as well the losses suffered therein. Further, our company has refunded security deposits paid by five franchisees listed under items (2), (3), (4), (5) and (6) in the table above.

Details of Litigations against the Directors of our Company

Other than what is already mentioned under the head “Details of litigations that the Promoter and Promoter Group entities are party to” there are no outstanding/pending litigations in India including tax liabilities or any criminal/ civil prosecution for any offences (irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956), violations of statutory regulations, disputes, defaults, non-payment of statutory dues, proceedings initiated for economic offences/ civil offences (including past cases if found guilty) against the Directors.

There are no penalties imposed in India for violation of any statutory regulations or criminal offence or economic offences and no disciplinary action taken by the Securities & Exchange Board of India /stock exchanges or any regulatory authority of any other jurisdiction against the Directors.

There are no adverse findings against the Directors or ventures/companies with which such Director was associated with as regards to the compliance with securities laws of India.

Details of Litigations that our Subsidiaries are party to:

Except as stated below, there are no disputes, non payment of statutory dues, over dues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits or other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956.

A civil case bearing C.S. No. 1139 of 2007 was filed by Radiant Systems, Inc. against Kaashyap Technologies Ltd., Mr. A. Venkataramani and Trident Investment and Portfolio Services (P) Limited before the High Court of Judicature at Madras. This was regarding the dispute pertaining to the terms of the Technical Collaboration Agreement and Joint Venture Agreement entered in to by the parties (i.e. Mr. Venaktaramani, Mr. Venu Myneni, Mr. Vinod Koduru and Radiant Systems, Inc.) on 20.01.1998.

However, our Promoters, Mr. Venu Myneni, Mr. Vinod Koduru and Radiant Systems Inc have entered in to a Settlement Agreement dated July 08, 2008 inter alia with Mr. A. Venkataramani and Kaashyap Technologies Ltd in order to settle all the claims inter se and to withdraw all the civil and criminal cases against each other. Pursuant to the same, a Memo for the withdrawal of the aforesaid case in the High Court of Judicature at Madras bearing has been filed and the final decree is awaited.

Our Subsidiaries have not been detained/ declared as a wilful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by it in the past or are pending against it.

Our subsidiaries have not been prohibited from accessing the capital market under any order or direction passed by SEBI, nor SEBI has imposed any penalties on us nor have we received any notices in respect of the same.

Amounts Owed to Small Scale Undertakings and Other Creditors

The Company has initiated the process of identifying the enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Small and Medium Enterprises Development Act, 2006 and sent letters in this regard. The responses are still awaited, accordingly the disclosure in respect of amount payable to such enterprises as on March 31, 2008 have not been made in the financial statements.

Material Developments

There have been no material developments after the date of last audited balance sheet i.e. March 31, 2008.

Adverse Events

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filing of this Draft Red Herring Prospectus with the Registrar of Companies.

Defaults

Our Company has not defaulted in meeting any statutory dues, institutional dues or bank dues. Our Company has not defaulted in making any payment/refunds for debentures, fixed deposits and interest on debentures and fixed deposits.

STATUTORY APPROVALS AND LICENCES

Except as stated herein, our Company has received the necessary consents, licenses, permissions and approvals from the Government and various Government agencies required for its present business and no further approvals are required for carrying on the present as well as the proposed business activities. It must however, be distinctly understood that in granting the above consents/licences/permissions/approvals, the Government does not take any responsibility for the financial soundness of our Company or for the correctness of any statements or any commitments made or opinions expressed herein.

Our Company is required to obtain various statutory and regulatory licenses / approvals from the Central and State authorities for the purposes of its business. The approvals obtained by our Company are as follows:

Sr. No.	Act under which the license/ approval is issued	Details of the Applicable Statute and Section	Issuing Authority	Details of the license / approval
A. Approval from Central and State Tax Authorities				
1.	Income Tax Act, 1961		Director of Income Tax	Permanent Account Number (PAN):AABCR6600H
2.	Income Tax Act, 1961 - Section 203	Our Company is required to obtain Tax Deduction Account Number (TAN) and pay the tax deducted at source to the Central Government within the prescribed time	National Securities Depository Limited	TAN No.: BLRR01276C
3.	Central Sales Tax Act, 1956	Registration as dealer for Smart card and smart card reader (resale)	Commercial Tax Officer	Registration number: 11276897 <i>Valid from April 01, 2000 until cancelled.</i>
4.	Karnataka Sales Tax Act, 1957	Every dealer whose total turnover in any year is not less than Rupees two lakh and any other dealer may get himself registered under this Act.	Commercial Tax Officer	Registration number: 11226894 <i>Valid from April 01, 2000 until cancelled.</i>
5.	Karnataka Value Added Tax Act, 2004.	Registration as dealer	Department of Commercial Taxes- Government of Karnataka	Registration No.: TIN 29020077504 <i>Valid from April 01, 2003</i>
6.	Andhra Pradesh (VAT) Act, 2005	Every dealer other than a casual trader shall be liable to be registered in accordance with the provisions of this Act.	Department of Commercial Taxes, Govt. of Andhra Pradesh	Registration No.: TIN 28492102362 <i>Valid from May 01, 2006</i>

7.	Finance Act, 1994 - Section 69	Our Company is liable to pay service tax within such time and in such manner and in such form as may be prescribed and should make an application for registration to the Superintendent of Central Excise.	Office of the Commissioner of Service Tax, Department of Revenue	Form ST-2 Service Tax Registration No.(Bangalore): MRA/AABCR660H ST 001 Issue Date: August 13, 2004 Service Tax Registration No. (Hyderabad): AABCR6600HST002 Issue Date: December 11, 2006
B. Approval from Central and State Authorities				
8.	Foreign Trade Policy 1994 - 1999	Our Company is required to obtain an Importer Exporter Code from the Joint Director General of Foreign Trade	Joint Director General of Foreign Trade	Certificate of Importer-Exporter Code(IEC) : 0797011951 Issue Date: December 09, 1997
9.	Water (Prevention & Control of Pollution) Act, 1974	Consent for discharge of sewage under Section 21 of Water (Prevention and Control of Pollution) Act, 1974	Environment Officer, Karnataka State Pollution Control Board, Bangalore	Consent Order bearing no. 310/KSPCB/EO/BNG-C-1/DEO/AEO/WPC/REG-5158/2007-08 dated June 08, 2007 and the same is valid till December 31, 2008.
10.	Air (Prevention & Control of Pollution) Act, 1981	Consent to be obtained under Section 21	Environment Officer, Karnataka State Pollution Control Board, Bangalore	Consent Order bearing no.27/KSPCB,EO/BNG-C-1/DEO/AEO-3/APC/INR-115955/2006-07 dated April 25, 2006 and the same is valid till December 12, 2015.
11.	Registration with the Software Technology Parks of India	All units engaged in development of software and undertaking to export their entire production of goods and services may be set up under the Software Technology Park (STP) Scheme. The said scheme is issued and formulated under the Export Import Policy of the Government of India and is to be read in conjunction with the provisions of the said Policy, the Customs Act and Customs Tariff Act.	Joint Director, Software Technology Park of India	Our Company has obtained registration as a STPI unit under the Software Technology Park Scheme vide letter bearing Ref. no. EIG/RADIANT-INFOSYSTEMS/GEN/13388 dated March 28, 2000 and the registration was valid up to March 31, 2004. Our Company had executed a Legal Agreement dated March 27, 2000 for a period of five years with the Government of India. The Agreement was further renewed till March 27, 2005 vide letter bearing ref. no. EIG / RADIANT - INFO

				<p>SYSTEMS /RCMC/35168 dated March 30, 2004.</p> <p>Consequently, the Agreement was due for renewal as on March 27, 2005. Our Company has obtained the approval for the extension and its registration has been extended for a further period of five years till March 31, 2009. The said extension has been confirmed by the Software Technology Parks of India, Bangalore, vide its letter bearing ref. No. EIG /RADIANT /GEN /48788 dated March 01, 2005.</p>
12.	Bonding of Premises under the Customs Act	<p>The Companies who opt for the 100% STP unit's scheme are entitled for duty free imports of Capital Goods as well as the inputs. For this purpose their premises are treated as private bonded warehouses and issued with a private bonded warehouse licence under Section 58 of the Customs Act 1962 where their non-duty paid goods are allowed to be stored. These non duty paid inputs are in turn allowed to be used in the manufacture of exportable goods or provision of services for purpose of which they are issued In-Bond Manufacturing Sanction Order under section 65 of the Customs Act 1962.</p>	Office of the Deputy Commissioner of Customs	<p>Our Company has, as per section 58 of the Customs Act, bonded its premises bearing No. 1206, 16th main, II Stage, I Phase, BTM Layout, Bangalore-76, vide Private Bonded Warehouse license No. 338 dated. March 30, 2000 issued by the Office of the Deputy Commissioner of Customs Division, 29/2, Basavaswara Building, Crescent Road, Bangalore- 560 001. For the said purpose, our Company has also executed a Form B 17 Bond under Sec. 58 of the Customs Act, dated March 30, 2007 for a value of Rs.3,81,200/-. Our Company has also placed a fixed deposit amount of Rs. 19,060/- with the State Bank of India, Basaveshwaranagar Branch, Bangalore pursuant to the terms of the said Bond. The said Bond was valid up to</p>

				<p>March 27, 2005.</p> <p>Subsequent to the initial approval dated March 29, 2000, our Company had enhanced the value of indigenous capital goods and imported capital goods and obtained further approval for such enhancement.</p> <p>Therefore, in addition to Rs. 19,060/-, our Company further placed a fixed deposit amount of Rs.86,765/- with the State Bank of India, Basaveshwaranagar Branch, Bangalore pursuant to the terms of the said Bond.</p> <p>Our Company has further renewed the license till March 31, 2009 vide letter bearing no. C. No. VIII/40/93/2000 dated April 15, 2005.</p> <p>Our Company has also obtained approval from the Office of the Deputy Commissioner of Customs, for bonding its additional premises at No.227/1, 9th Main Road Division, No.52A Banashankari 2nd Stage, Bangalore- 560 070 vide letter bearing C.No.VIII/40/93/2000 EOU-I dated 30.03.2000 and de-bonded the earlier premises at #1206, 16th Main, II Stage, I Phase, BTM Layout, Bangalore-560076.</p>
C. Labour related approvals				
13.	Karnataka Shops and Commercial Establishments Act, 1961	The Company is required to obtain a registration under Rule 4 of the Karnataka Shops and Commercial Establishments Act, 1961.	Inspector	<p>Registration No: 56/VS/005/200 for the premises situated at No.2227/1, 9th Main, BSK II Stage, 100 ft Road, Bangalore- 8</p> <p><i>Valid up to: 31 December</i></p>

				2010
14.	Andhra Pradesh Shops and Establishments Act, 1988	The Employer should send the particulars of establishment along with fees to the Inspector within 30 days of commencement of work. The inspector shall then register the establishment and issue a Registration Certificate which has to be displayed at a prominent place by the employer. In case of any change in particulars, the same has to be notified to the inspector within 15 days of the change. The Inspector shall then make necessary changes in the Register. (Section 3)	Assistant Labour Officer	Registration No. DCL/HYD/69/2007 for Flat No.301, S.V.S Classic Residency, 6-3-853/2, Ameerpet, Hyderabad dated September 27, 2007. Valid up to: December 31, 2008.
15.	Employees Provident Funds and Miscellaneous Provisions Act, 1952 - Section 1 (3) (b)	As per the provisions of the Employees Provident Fund and Miscellaneous Provisions Act 1952, our Company is required to provide and formulate a scheme for the provision of Provident Fund, Pension and an Employees Deposit Linked Life Assurance Scheme.	Regional Provident Fund Commissioner	Employees Provident Fund Code: KN/SAOBMS/34008 dated February 15, 2001 With effect from: August 2000
16.	Employees State Insurance Act, 1948 - Section 2A	As per the provisions of the Employees State Insurance Act 1948, the Company is required to provide and formulate a scheme for the benefit of its employees and to make contributions in terms of the said legislation and obtain the statutory registration.	Employees State Insurance Corporation	Registration Code :53-22957-67 dated July 15, 2006 With effect from: August 01, 2002
17.	Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976	Registration as "Employer" required, in order to remit professional tax to the Government.	Professional Tax Officer	Registration No. 2401879-4 Dated August 04, 2001
18.	A.P Tax on Professions,	According to Section 6 an assessee (employer) shall	Professional Tax Officer	Registration No. ABS/06/PT/1320/07-08

	Traders, Callings and Employment s Act, 1987	obtain a Certificate of Registration or Certificate of Enrolment, from the assessing authority within 30 days of receipt of application.		dated January 07, 2008 Enrolment Certificate No./ABS/06/PT/2018/20 07-08 In case of default in obtaining the certificate the assessee shall be liable to pay penalty ranging from Rupees Five to Rupees thousand. In case of default in payment of tax by the assessee, the assessing authority shall after giving the assessee a reasonable opportunity of being heard, impose a penalty of not less than 25% and not exceeding 50% of the amount of tax due. (Section 12)
19.	Department of Labour, Government of Karnataka	The Office of the Deputy Labour Commissioner Region-I, Karmika Bhavan, Banerghatta Road, Bangalore-29 had issued a letter dated February 12, 2008 bearing no. NO.DLC-1/RA PA/CR-5/2007-08 to us stating that in exercise of powers conferred under the provisions of Section 25 of the Karnataka Shops and Establishment Act, 1961, an exemption has been granted to our Company to employ women as shown in the Form -R during night for a period of one year w.e.f 12.02.2008 to 11.02.2009 subject to the conditions mentioned therein.		
D. Quality Certifications				
20.	Our Company has been assessed and certified by IQNet and SAI Global Limited as meeting the requirements of the standard, ISO 9001:2000 for quality management system for the customized software application development vide Certificate No. AU QEC22317 dated May 18, 2004 and the said Certificate is valid till May 18, 2010.			

Foreign Exchange Approvals

Secretariat for Industry Approvals, Ministry of Industry, Department of Industrial Policy & Promotion, Government of India (SIA)

- Secretariat for Industry Approvals, Ministry of Industry, Department of Industrial Policy & Promotion, Government of India (SIA), had vide their letter no. FC.II.5(2001)/EOP 6(2001) dated August 21, 2001 approved the increase in foreign equity participation in the equity capital of our Company from 51% to 100% by Radiant Systems, Inc., USA.

FIPB Approvals

- Our Company had made an application before the Under Secretary to the Government of India, Ministry of Finance, Department of Economic Affairs, Foreign Investment Promotion Board (FIPB) for the approval for the proposed issue of equity shares to foreign companies

by way of shares swap. The shareholders of our Company had proposed to issue 1(one) equity share of Rs.10/- each face value as fully paid up of the Company for every 1(one) share of common stock of Radiant Systems, Inc., USA subject to the approval of FIPB.

- Department of Economic Affairs, Ministry of Finance, Government of India (FIPB), have vide their letter no. FC.II 11 (2008)/377/2007 dated February 08, 2008 approved the foreign equity participation of 98.19% in the paid up capital of our Company by way of issue of 68,00,000 equity shares of Rs.10/- each constituting 49.22% to the shareholders of Radiant Systems, Inc. USA under the share swap of our Company.
- On February 21, 2008, our Company vide its letter has requested for the modification of the approval FC.II 11 (2008)/377/2007 dated February 08, 2008. In the said letter, our Company has requested for the approval for swap of shares held by Mr. Venu Myneni and Mr. Vinod Koduru who are holding 114 and 86 equity shares respectively in Radiant Systems, Inc. FIPB has accorded their approval for modifying the earlier approval granted by FIPB vide their letter bearing Ref. no. FC.II. 11(2008)/377/(2007) dated April 15, 2008 to issue the remaining 114 equity shares held by Venu Myneni and 86 equity shares held by Vinod Koduru respectively in Radiant Systems, Inc. USA by way of swap of shares in the ratio of 1:1 and thereby increasing the Foreign Direct Investment in our Company to 98.20%.

Reserve Bank of India

Overseas Branch Registration

Our Company has opened a branch in Japan bearing registration no. 1899-03-008945 pursuant to approval dated December 10, 2004 issued by Nagoya Regional Legal Affairs Bureau. In this regard, our Company had also submitted application dated June 13, 2005 bearing ref.no.RISPL/UTI/2005-06 to bankers (authorised dealers), Axis Bank Limited in prescribed form.

Other permissions/filings:

Our Company has also procured the following permissions:

- Reserve Bank of India vide its letter bearing no. FE.CO.FID/239/10.I.07.02.200(583)2004-05 dated August 17, 2004 had accorded the following permissions under Regulations 10 A(b) of Notification No. FEMA.20/2000-RB dated May 03, 2000 subject to the conditions contained therein and SIA Approval letter no. FC.II.5(2001)/EOP 6(2001) dated August 21, 2001:
 1. (i) Mrs. C.Rajyalakshmi (950 shares) (ii) Mrs. Swarajalakshmi (1125 shares)(iii) Mr. Y.M.V Prasad (375 shares), the resident shareholders of the Company to transfer 2450 equity shares of Rs.100/- each in favour of Radiant Systems, Inc., USA at a price of Rs.567.38 per share.
 2. Radiant Systems, Inc., USA, the non-resident acquirer to acquire the above mentioned shares from the resident shareholders
 3. the Company for effecting consequential changes in its register
- Our Company had filed the Form FC-GPR dated November 30, 2007 with the Axis Bank Limited, M.G Road Branch on December 04, 2007 along with Auditor's Certificate, Company Secretary Certificate and FIRC (Foreign Inward Remittance Certificate) in respect of issue of 31,99,574 equity shares to Radiant Systems, Inc. In this regard, we had received a letter dated December 28, 2007 bearing ref. no. FE.BG.FID. No.2795/21.06.001/2007-08 from RBI on the following particulars:

a) Details of name/address of the non-resident investors, date of issue of non-resident investment of 9,00,000 Equity Shares and whether the same was reported in terms of para 9 of Notification No. FEMA 20/2000-RB dated May 03, 2000 as amended from time to time

b) Certified copy of the certificate of incorporation together with MoA/AoA

On January 21, 2008, we had duly replied to the aforementioned letter along with certified copy of the certificate of incorporation together with MoA/AoA. We had received the approval from Reserve Bank of India dated February 12, 2008 bearing no. FE.BG.FID.NO.3565/21.06.552/2007-08 and has been allotted the registration no. FC 2008-BGR 5025.

- Our Company has filed before the authorised dealer the Form FC-GPR for the issue of 68,00,000 equity shares of Rs.10/- each and also for the remaining 200 shares under swap of shares with Radiant Systems Inc, USA along with the company secretary certificate and copy of the FIPB approval. We had also filed Form ODI along with our covering letter dated May 07, 2008 with our authorised dealer in respect of the said share swap.
- Our Company has also made a delayed filing of Form FC-GPR before the authorised dealer for the allotment of 39,250 equity shares of Rs.10/- each at a premium of Rs.190/- to Arun D Parikh along with the company secretary and chartered accountant certificate. The said shares were allotted on March 10, 2008.

Approvals which our Company is in the process of obtaining are tabulated as under:

Sr. No.	Details of Approval
1.	<p>Our Company had made an application dated October 05, 2007 with KIADB for the allotment of land in Gowribidanur Industrial Area. Our Company has received a letter bearing no. KIADB/DO-II/17/3374/2007-08 dated January 17, 2008 from KIADB intimating that the State level Single Window Clearance Committee in its meeting held on November 26, 2007 has approved our project proposal to establish a unit for “Software Development Centre BPO/Data Centre, Call centre and Training Centre and that the above committee has recommended allotment of 8 acres of land to our Company. As per the said letter, our Company is required to file the necessary application along with supporting documents including project report, a sketch indicating the proposed land utilization, earnest money deposit of Rs.500/- per acre, 20% of the land cost in the form of DD/pay order drawn in favour of the Development Officer -II, KIADB Zonal Officer, Bangalore, Memorandum and Articles of Association within 30 days of the receipt of the said letter. Our Company has filed the application dated February 15, 2008 along with the supporting documents. We have paid an amount of Rs. 8 lacs vide our letter dated July 04, 2008, and requested KIADB to grant an additional time of 60 days for the payment of 20% of the tentative price and completing the formalities under the allotment letter.</p> <p>Upon the completion of the process of allotment of abovementioned land, our Company would also be required to obtain requisite regulatory approvals for setting up and operating software Development Centre BPO/Data Centre.</p>
2.	<p>Our Company had applied on September 10, 2004 to KEONICS for allotment of land near the Electronics City and has received the Letter of Intent/Allotment dated September 20, 2007 bearing ref.no. KSEDC/Infra/LA/RIS/2007-08. As per the said Letter of Intent/Allotment, KEONICS shall allot 0.19 acres of land in plot no.110K within Survey No. 68 at Electronics City for software development as per the terms conditions contained therein. The said allotment of land shall be on lease- cum-sale basis and at the end of 10 years, lease shall be converted in to a sale subject to the fulfillment of all the terms and</p>

	<p>conditions of allotment and payment of price of land in full and payment of rents and premiums. Our Company has made the requisite payments in favour of KEONICS and has executed the lease cum sale agreement on February 11, 2008 subject to the conditions contained therein.</p> <p>As per the terms of the said Agreement, we had agreed to commence the civil construction works after obtaining prior approval/license from the Chief Inspector of Factories & Boilers of Karnataka State by December, 31st 2008. We also have agreed to complete civil construction works and erection of factory building after obtaining prior approval of KEONICS by April, 30th 2010. We have not commenced any steps with regard to the abovementioned approvals/licenses.</p>
3.	Our Company has not obtained any approval/permission for the transfer of 2550 shares from shareholders of our Company to M/s. Radiant Systems, Inc. on March 31, 2000. In this regard, we have informed the Reserve Bank of India in writing on January 21, 2008 that we have not obtained any approval/permission for the said transfer of 2550 shares.
4.	Our Company has filed on May 07, 2008, Form ODI and necessary documents with RBI relating to the share swap arrangement between our Company and shareholders of M/s Radiant Systems, Inc.

Intellectual Properties

We have submitted 4 applications for the registration of the following trademarks/trade names and logos.

Sr. No.	Description	Application Number	Class	Date of Application	Status
1	Application for the registration of trademark relating to the logo "Radiant" in the field of computer software development services, design & related services, product development services etc.	1657522	42	February 25, 2008	Pending
2	Application for the registration of trademark relating to the tag line "Solutions powered by High Values" in the field of Computer software development services, design & related services, product development services etc.	1681570	42	April 29, 2008	Pending
3	Application for the registration of trademark relating to the tag line "Globalizing Products and Localizing Solutions" in the field of computer software development services, design & related services, product development services etc.	1672326	42	April 04, 2008	Pending
4	Application for the registration of trademark relating to the delivery model "RADLink" in the field of computer software development services, design & related services,	1672327	42	April 04, 2008	Pending

product development services etc.

Our Company has made four copyright applications which are pending with the Registrar of Copyrights and the details are as provided in the table below:

Sr. No.	Details of Application	Status
1.	Copyright Application for Literary Work (Computer Software) for PMS - Punctuality Management System	Pending
2.	Copyright Application for Literary Work (Computer Software) for ORS-Online Reservation System	Pending
3.	Copyright Application for Literary Work (Computer Software) for Swagruha - Home Loan System	Pending
4.	Copyright Application for Literary Work (Computer Software) for DepoATMZ - Depot Management System	Pending

Our subsidiary, Radiant Systems, Inc. has registered the following three trademarks:

- The tag line **“For All Computing Solutions”** on June 22, 1999 vide certificate of registration No. 2254771 from the United States Patent and Trademark Office.
- The tag line **“Right People at the Right Time at the Right Place”** on January 4, 2000 vide certificate of registration No. 2305104 from the United States Patent and Trademark Office.
- The tag line **“With us learning is FUN”** on June 22, 1999 vide certificate of registration No. 2254772 from the United States Patent and Trademark Office.

We have the domain name, www.radiantinfo.com registered under the name of Network, LLC, which is one of our service providers. The domain name www.tnstc.in is registered in the name of our Company. Our subsidiary, Radiant Systems, Inc. has the domain names www.radiants.com and www.radiants.co.uk registered in its name.

Other awards received by our Company, and its subsidiaries

Sr. No.	Particulars
1)	Inc. Magazine publishes its annual ranking of the America's fastest-growing companies. Radiant Systems, Inc. achieved 119 th rank in this list in the year 2001.
2)	New Jersey Fast50 Award - This award is sponsored by Deloitte& Touché, First Union National Bank, NASDAQ, New Jersey Technology Council and the Regional Business Partnership. Radiant Systems, Inc. achieved 11 th rank in this list.
3)	Finest Award 2001 - Price Waterhouse Coopers, PNC Bank, Business News New Jersey, and many other organizations sponsor New Jersey Finest award. Radiant Systems, Inc. won this award second time in a row in the year 2001.



- 4)  Washington Technology post recognized Top 50 US Corporations providing services to the Government Client. Radiant Systems, Inc. was ranked at #25 in this list of Fastest Growing Companies providing services to the Government Clients.
- 5)  This award is sponsored by Business News New Jersey, FirstUnion Bank and Marsh etc.
- 6)  Radiant Systems Inc awarded si100 by Silicon India for being one of the top 100 technology companies founded and managed by Indians in the U.S. The si100 not only represents the continuing rise and glory of Indian entrepreneurship in high-tech but also recognizes companies impacting the market place
- 7)  Inc. 500-2001 - Radiant CEO, Mr. Venu Myneni, was chosen as an Entrepreneur of the year award finalist. This award is sponsored by USA Today, The Kauffman Center for Entrepreneurial Leadership, CNN, and NASDAQ etc.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

The Board of Directors have, pursuant a resolution passed at its meeting held on March 01, 2008, authorised this Issue, subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act, 1956.

Our shareholders have authorised this Issue by a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, 1956, passed at the Extra Ordinary General Meeting of our Company held on March 28, 2008.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the Group Companies, companies promoted by our Promoters and companies or entities with which our Company's Directors are associated as directors / promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India.

Prohibition by RBI

Our Company, our Promoters, their relatives, group concerns and associate companies have not been detained as willful defaulters by the RBI or any other government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Eligibility for the Issue

Clause 2.2.1 of the SEBI DIP Guidelines states as follows:

An unlisted company may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets all the following conditions:

- a. The company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets: Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;
- b. The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years; Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956;
- c. The company has a net worth of at least Rs. 1 crore in each of the preceding 3 full years (of 12 months each);
- d. In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name; and
- e. The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters'

contribution through the offer document), does not exceed five (5) times its pre-issue net worth as per the audited balance sheet of the last financial year.)

Since our Company is not eligible in terms of the above clause 2.2.1 (a), (c) & (e) of the SEBI DIP Guidelines, the Equity Shares of our company are issued in terms of clause 2.2.2 of the SEBI DIP Guidelines, 2000.

We are eligible for the issue as per Clause 2.2.2 of the SEBI Guidelines as explained under.

Clause 2.2.2 of the SEBI DIP Guidelines state as follows:

An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions in (a) and (b) given below:

(a)(i) The issue is made through the book building process, with atleast 50% of the net offer to the public being allotted to the Qualified Institutional Buyers (QIBs), failing which the subscription monies shall be refunded.

OR

(a)(ii) The “project” has atleast 15% participation by Financial Institutions/Scheduled Commercial Banks, of which atleast 10% comes from the appraiser(s). In addition to this, atleast 10% of the issue size shall be allotted to QIBs, failing which full subscription monies shall be refunded.

AND

(b)(i) The minimum post issue face value capital of the Company shall be Rs. 10 crores.

OR

(b)(ii) There shall be compulsory market making for atleast 2 years from the date of listing of the shares subject to the following:

- (a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*
- (b) Market makers undertake to ensure that the Bid ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*
- (c) The inventory of the market makers on each of such stock exchanges, as on the date of allotment of securities, shall be atleast 5% of the proposed issue of the company”*

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are, therefore, required to meet both the conditions detailed in Sub-Clauses (a) and (b) of Clause 2.2.2 of the SEBI Guidelines.

We are complying with Clause 2.2.2 (a) (i) of the SEBI (DIP) Guidelines and at least 50% of the Issue to Public will be allotted to QIB Bidders and in the event we fail to do so, the full subscription monies shall be refunded to the bidders.

We are also complying with Clause 2.2.2 (b) (i) of the SEBI (DIP) Guidelines and the minimum post-issue face value capital of our Company shall be Rs.10 crores.

Our Company undertakes that the number of allottees in the proposed Issue shall be at least 1,000; otherwise, we shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS Draft Red Herring Prospectus HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS Draft Red Herring Prospectus TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS Draft Red Herring Prospectus. THE BOOK RUNNING LEAD MANAGERS, IL&FS INVESTSMART SECURITIES LIMITED AND SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS Draft Red Herring Prospectus ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS Draft Red Herring Prospectus, THE BOOK RUNNING LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, IL&FS INVESTSMART SECURITIES LIMITED AND SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 28, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,

WE CONFIRM THAT:

- a) THIS DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;
- b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- c) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS Draft Red Herring Prospectus WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS Draft Red Herring Prospectus.
6. WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE Draft Red Herring Prospectus.
7. WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 ARE NOT APPLICABLE TO THE ISSUER.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE Draft Red Herring Prospectus. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER WOULD SPECIFICALLY CONTAIN THIS CONDITION.
10. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.
11. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE Draft Red Herring Prospectus THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT MODE ONLY.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE Draft Red Herring Prospectus:
 - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND

- b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.)

THE FILING OF THIS Draft Red Herring Prospectus DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS Draft Red Herring Prospectus.

Disclaimer Statement from the Company and the BRLMs

Investors may note that our Company, our Directors and the BRLMs accept no responsibility for statements made other than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer Company or Book Running Lead Manager and that any one, placing reliance on any other source of information including our website, www.radiantinfo.com would do so at their own risk.

Investors that Bid in this Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLMs & Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company and the disclosures as to applicable investment limits in this Draft Red Herring Prospectus are not represented to be complete or accurate and investors should conduct an independent evaluation of their ability to invest in this Issue.

The BRLMs do not accept any responsibility, save to the limited extent as provided in terms of the Memorandum of Understanding entered into between our Company and the BRLMs and the Underwriting Agreement to be entered into between our Company and the Underwriters.

All information will be made available by the Book Running Lead Managers, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports or at Bidding Centres etc.

Neither our Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made subject to applicable legal requirements, in India to persons resident in India (including Indian nationals resident in India who are majors, HUF's, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the applicable trust law or the Societies Registration Act, 1860, as amended from time to time and who are authorized under their constitution to hold and invest in Equity

Shares) and to NRIs, non-residents, FIIs and Foreign Venture Capital Investors registered with SEBI, public financial institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Multilateral and Bilateral development Financial Institutions, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds(subject to applicable law) with minimum corpus of Rs. 2500 Lacs pension funds (Subject to applicable law) with minimum corpus of Rs. 2500 Lacs and National Investment Fund. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Bangalore only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“the Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.. Accordingly, the Equity Shares are only being offered or sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required, must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the United States of Securities Act, 1933.

Disclaimer Clause of Bombay Stock Exchange Limited (“BSE”)

Bombay Stock Exchange Limited has given vide its letter no. [●] dated [●], given permission to this Company to use BSE’s name in this Draft Red Herring Prospectus as one of the stock exchanges on which this Company’s securities are proposed to be listed. BSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or
2. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or

3. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of National Stock Exchange of India Limited (“NSE”)

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given *vide* its letter ref. [●] dated [●], permission to the Company to use the NSE’s name in this Draft Red Herring Prospectus as one of the stock exchanges on which this Company’s securities are proposed to be listed. The NSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that this Company’s securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing of Prospectus with SEBI and the Registrar of Companies

A copy of the Draft Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

A copy of the Red Herring Prospectus along with the documents required to be filed under section 60B of the Companies Act shall be delivered for registration to the Registrar of Companies, Karnataka, Bangalore, situated at: E-Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bangalore 560 034 (India) atleast 3 (three) days before the issue opening date. This final Prospectus would be filed with the Corporate Finance Department of SEBI and the ROC at the respective aforesaid addresses upon closure of this issue and on finalization of this Issue Price. We will comply with all legal requirements applicable till the filing of Prospectus with RoC.

Listing

Applications have been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India. BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the stock exchanges, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 70 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization of Basis of Allotment for this Issue.

Consents

Necessary Consents for the issue have been obtained from the following

1. Directors of our Company
2. Promoters of the Company
3. Bankers to our Company
4. Auditors to our Company
5. Book Running Lead Managers to the Issue
6. Legal Advisor to the Issue
7. Registrar to the Issue
8. Company Secretary & Compliance Officer
9. Syndicate Members
10. Underwriters
11. Escrow Collection Bankers to the Issue

The said consents will be filed along with a copy of the Red Herring Prospectus with the RoC, Karnataka, Bangalore, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents will not be withdrawn up to the time of delivery of the Prospectus, for registration with the RoC, Karnataka, Bangalore.

Expert Opinion

1. We have obtained the IPO Grading report dated [●] from [●] Limited.
2. We have obtained Certificate dated July 12, 2008 from the statutory auditors, P. Murali & Co., Chartered Accountants, detailing the tax benefits.

Expenses of this Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expenses (Rs. Lacs.)	% of Issue Size	% of Issue expenses
Lead management, underwriting and selling commission	[●]	[●]	[●]
Advertisement and marketing expenses	[●]	[●]	[●]
Printing and stationery (including expenses on transportation of the material)	[●]	[●]	[●]
Others (Registrar's fees, legal fees, listing fees, etc.)	[●]	[●]	[●]
IPO grading expenses	[●]	[●]	[●]
Total	[●]	[●]	100.00%

All expenses with respect to this issue will be borne by our Company.

Details of Fees Payable

Fees Payable to the Book Running Lead Managers

The total fees payable to the BRLMs will be as per the Memorandum of Understanding signed between us and the BRLMs, dated June 17, 2008, a copy of which is available for inspection at our Registered Office and forms part of Material Contracts and Documents.

Fees Payable to the Registrar to this Issue

The fees payable to the Registrar to this Issue, Aarthi Consultants Private Limited, will be as per the Memorandum of Understanding signed with our Company, a copy of which is available for inspection at our Registered Office and forms part of Material Contracts and Documents.

The Registrar will be reimbursed for all relevant out-of-pocket expenses including such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to this Issue to enable them to send refund orders or allocation advice by registered post/ Speed Post. Refund Orders up to Rs. 1,500/- would be send under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission

The Underwriting Commission and Selling Commission for this Issue shall be as set out in the Syndicate Agreement amongst our Company, the BRLMs and Syndicate Members. The Underwriting Commission shall be paid as set out in the Underwriting Agreement based on this Issue Price and amount underwritten in the manner mentioned in the Underwriting Agreement.

Brokerage for this Issue will be paid as set out in the Syndicate agreement by our Company, on the basis of the allotments made against the Bids bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage will be payable in respect of the allotments made against Bids procured by them provided the respective forms of Bid bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers'/Agents' codes on the Bid-cum-Application Form, our Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. We, at our sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by us.

Previous Rights and Public Issues during the Last Five Years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

Previous Issues of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as detailed in the section entitled 'Capital Structure' beginning on page [●] of this Draft Red Herring Prospectus.

Commission and Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

Promise vis-à-vis Performance - Last 3 issues

Our Company has not made any Public Issue in the past.

Option to subscribe

Shares issued pursuant to this Issue shall be allotted in the dematerialized form only.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vis-à-vis Performance - Last One Issue of Group Companies

There are no listed ventures of our Promoters.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued and outstanding as on the date of this Draft Red Herring Prospectus and terms of Issue

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of this Draft Red Herring Prospectus.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of Investor's grievance

The Memorandum of Understanding between the Registrar to this Issue and us, will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of dispatch of letters of Allotment, demat credit, refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant and collection center where the application was submitted.

Sr. No.	Nature of the Complaint	Time Taken
1.	Non-receipt of the refund	Within 7 working days of receipt of complaint, subject to production of satisfactory evidence.
2.	Change of Address	Within 7 working days of receipt of information.
3.	Any other complaint in relation to Public Issue	Within 7 working days of receipt of complaint with all the relevant details.

Disposal of Investors' Grievances and Redressal Mechanism

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Srinivasa Sitharam Appikatla as the Compliance Officer who would directly liaise with SEBI with respect to implementation/compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems at the following address:

Mr. Srinivasa Sitharam Appikatla
Company Secretary & Compliance Officer
Radiant Info Systems Limited
2227/1, Div No.52A,
9th Main, Banashankari Stage II,
Bangalore - 560 070
Tel No: +91-80-2676 3316;
Fax No: +91-80-2676 7702;
E-mail: ipo@radiantinfo.com
Website: www.radiantinfo.com

Changes in Auditors during the last three years and reasons thereof

Our Company has appointed M/s P. Murali & Co. Chartered Accountants in our AGM held on September 29, 2007 in place of T. Sriram & Co., Chartered Accountants.

Capitalization of Reserves or Profits during last five years

Our Company had on October 12, 2006 allotted 8,50,000 Equity Shares and on October 23, 2007, allotted 2833383 equity shares to the then existing shareholders of our Company by way of a bonus issue in the ratio of 1:17 and 3:2 respectively. The issuance of bonus shares was effected out of our Company's free reserves.

Revaluation of Assets during the last five years

There has not been any revaluation of Assets during the last five years.

SECTION IX - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Principal Terms and Conditions of the Issue

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (DIP) Guidelines, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in respect of Allotment of Equity Shares under this Issue will be entitled to dividends, voting rights and any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section “Main Provisions of the Articles of Association” on page [●] of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Red Herring Prospectus at a price of Rs. [●]/- per Equity Share. The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to attend general meetings and exercise voting powers, unless prohibited by law;

3. Right to vote on a poll either in person or by proxy;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation;
6. Right of free transferability of shares; and
7. Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., please refer to the section titled 'Main Provisions of Articles of Association' beginning on page [●] of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. For details of Allocation and Allotment, please refer to the section titled 'Issue Procedure' on page [●] of this Draft Red Herring Prospectus.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue amount including devolvement of Underwriters within 60 days from the Bid / Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period. In the event we are not able to allot 50% of the Issue to the QIBs, we shall refund the entire application money.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right, not to proceed with the Issue anytime after the Bid/ Issue Opening Date but before the Board meeting for Allotment, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply only for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the Stock Exchanges.

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares will be traded in dematerialized form only and therefore the marketable lot is one share. Therefore there is no possibility of odd lots.

Restrictions, if any on Transfer and Transmission of Shares

There are no restrictions on transfer and transmission of Shares. For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading 'Main Provisions of the Articles of Association' appearing on page [•] of this Draft Red Herring Prospectus.

Application by Non Residents/NRIs/FIIs

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of Allocation.

As per the policy of the RBI, Overseas Corporate Bodies cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("the Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold only outside

the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made through a 100% Book Building Process. The present Issue of 65,07,093 Equity Shares of Rs.10/- each at a price of Rs. [●] for cash aggregating Rs. [●] Lacs .The Issue would constitute 31.85% of the fully diluted post issue paid up capital of our Company. The details of the issue structure are as follows:

<u>Particulars</u>	<u>QIBs</u>	<u>Non Institutional Bidders</u>	<u>Retail Individual Bidders</u>
Number of Equity Shares*	Atleast 32,53,547 Equity Shares	Upto 9,76,064 Equity Shares	Upto 22,77,482 Equity Shares
Percentage of Issue Size available for allocation	Atleast 50% of the Issue to the public (of which 5% shall be reserved for Mutual Funds) or Issue to the public less allocation to Non-Institutional Bidders and Retail Individual Bidders. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Upto 15% of the Issue to the public or Issue size less allocation to QIBs and Retail individual Bidders.	Upto 35% of the Issue to the public or Issue size less allocation to QIBs and Non Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000/- and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000/- and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiple of [●]Equity Shares and not exceeding the size of	Such number of Equity Shares in multiple of [●]Equity Shares and not exceeding the size of	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs.

	the issue, subject to regulations as applicable to the Bidder	the issue, subject to applicable limits.	1,00,000
Mode of Allotment	Compulsorily dematerialized mode	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot/Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lacs, pension funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law and National Investment Fund.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, Scientific Institutions, Societies and Trusts	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.
Terms of payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application form to the members of the syndicate	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid-cum-Application form to the members of the syndicate

Margin Amount	Atleast 10% of the Bid Full amount on amount in respect of bidding Bids placed by QIB Bidder on bidding	Full amount on bidding
----------------------	---	------------------------

* Subject to valid bids being received at or above the Issue Price. At least 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further, upto 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If the aggregate demand by Mutual Funds is less than 1,62,677 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

** In case the Bid-Cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-Cum-Application Form.

After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIB Bidders.

Under-subscription, if any, in any category except in the QIB category would be met with spill over from other categories at our sole discretion, in consultation with the BRLMs. If a minimum allotment of 50% of the Issue is not made to the QIBs, the entire subscription monies shall be refunded.

Bidding / Issue period

BID / ISSUE OPENS ON	[•]
BID / ISSUE CLOSES ON	[•]

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form

Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

The Price Band will be decided by us in consultation with the BRLMs. The announcement on the Price Band shall also be made available on the websites of the BRLMs and at the terminals of the Syndicate.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price and can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

This Issue is being made through the 100% Book Building Process wherein at least 50% of the Issue will be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIBs Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, upto 35% of the Issue to Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders and upto 15% of the Issue to Public shall be available for Allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. We, in consultation with the BRLMs reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Illustration of Book Building and Price Discovery Process

(Investors should note that this illustration is solely for the purpose of illustration and is not specific to the Issue)

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 60/- to Rs. 72/- per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the Bidding/Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of the Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.66 in the above example. Our Company, in consultation with the BRLMs, will finalize the Issue Price at or below such cut off price, i.e., at or below Rs.66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

Bid-Cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note (“CAN”), and filing of the Prospectus with the Registrar of Companies, Karnataka at Bangalore, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the Registrar of Companies, Karnataka at Bangalore and as would be required by Registrar of Companies, Karnataka at Bangalore after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian public or NRIs applying on a non-repatriation basis	White
Non-residents, NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis	Blue

Who can Bid

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations, as applicable);
6. Venture Capital Funds registered with SEBI;
7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Multilateral and bilateral development financial institutions;
10. FIIs registered with SEBI, on a repatriation basis;
11. Eligible NRIs and other Non Residents on a repatriation basis or non-repatriation basis subject to applicable laws; and
12. Insurance companies registered with the Insurance Regulatory and Development Authority;
13. Provident funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;
14. Pension funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;

15. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/ society and who are authorized under their constitution to hold and invest in Equity Shares; and
16. Scientific and/ or industrial research organizations authorized to invest in Equity Shares; and
17. Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines; and
18. National Investment Fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.

As per existing regulations, OCBs cannot Bid in this Issue.

Note: Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals.

Participation by Associates of the BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLMs, and Syndicate Members may subscribe for Equity Shares in this Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 1,62,677 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Funds Portion. The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by NRIs

Bid-cum-Application forms has been made available for NRIs at the Registered office of our Company and members of the Syndicate.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) Account shall use the form meant for Resident Indians (white in colour). All instruments accompanying Bids shall be payable in Mumbai only.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of the Post-Issue paid-up capital of our Company (i.e. 10% of 2,04,30,000 Equity Shares of Rs. 10 each). In respect of an FII investing in the Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. However, with the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub-account may issue, deal or hold, off-shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids and revision to Bids must be made:

- On the Bid-cum-Application Form or Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purpose of Allocation and Bids for a Bid amount of more than Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for details, please refer the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page [●] of this Draft Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB's.

- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money payable upon submission of the Bid-cum-Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, whilst the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a foreign venture capital investor can invest its entire funds committed for investments into India in one company. Further, venture capital funds and foreign venture capital investors can invest only upto 33.33% of the investable funds by way of subscription to an initial public offer.

Pursuant to the SEBI Guidelines, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock in requirements only if the shares have been held by them for atleast one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations, and our Company and the BRLMs shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

Maximum and Minimum Bid Size

- For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to maximum Bid amount of Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the maximum Bid Amount is more than Rs. 1,00,000 due to revision of the Bid or revision of Price Band or on exercise of the option, then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

- b) **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. **Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.**

In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off' price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limit or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be made in the manner described under paragraph "Payment of Refund" on page [●] of this Draft Red Herring Prospectus.

Information for Bidders

- (a) Our Company will file the Red Herring Prospectus with the Registrar of Companies, Karnataka at Bangalore atleast 3 days before the Bid/ Issue Opening Date.
- (b) The members of the Syndicate will circulate the Bid-cum-Application Form to potential investors and at the request of the potential investors, the Red Herring Prospectus.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid-cum-Application Form can obtain the same from our registered office or from any of the BRLMs/Syndicate Members.
- (d) Investors who are interested in subscribing for our Company's Equity Shares should approach the BRLMs or Syndicate Member or their authorized agent(s) to register their Bid.
- (e) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

- a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with Registrar of Companies, Karnataka at Bangalore and also publish the same in one English national daily, one Hindi national daily and in one Regional newspaper with wide circulation. This advertisement shall contain the minimum disclosures as prescribed under Schedule XX-A of the SEBI Guidelines. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) by indicating

on the websites of the BRLMs and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.

- c) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” on page [●] of this Draft Red Herring Prospectus) and specify the demand (i.e. the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- d) The Bidder cannot Bid on another Bid-cum-Application Form after such Bidder’s Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build up of the Book and Revision of Bids” on page of [●] this Draft Red Herring Prospectus.
- e) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.
- f) Along with the Bid-cum-Application Form, all Bidders will be required to make payment in the manner described under the paragraph “Terms of Payment” on page [●] of this Draft Red Herring Prospectus.
- g) The Syndicate Member will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

Bids at Different Price Levels

- (a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price. The Bidders can Bid at any price with in the Price Band, in multiples of Re 1. In accordance with SEBI Guidelines, our Company in consultation with the BRLMs can revise the Price Band by informing the Stock Exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three additional working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
- (b) Our Company in consultation with BRLMs can finalize the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders. The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% of the Cap Price and the Floor Price disclosed in the Red Herring Prospectus. Our Company can finalize the Issue

Price in consultation with the BRLMs without the prior approval of, or intimation to the Bidders.

- (c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. **Retail Individual may Bid at “Cut-off”. However, Bidding at “Cut-off” is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**
- (d) Retail Individual Bidders, who Bid at the Cut-Off agree that they shall purchase the Equity Shares at the Issue Price. Retail Individual Bidders bidding at Cut-Off shall submit the Bid-cum-Application form with cheque/ demand draft for the Bid Amount based on the Cap of the Price Band to the Syndicate Members. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the respective Refund Account.
- (e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing a press release and making available this information on the Bidding terminals.
- (f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be within the range of Rs. 5,000 to Rs. 7,000. The Issuer Company in consultation with the BRLMs shall stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range of minimum application value.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid amount plus additional payment does not exceed Rs. 1,00,000, if the Retail Bidder wants to continue to Bid at Cut-Off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 1,00,000, the Bid will be considered for allocation under the Non Institutional portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.

Option to Subscribe

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialized form only. Bidders will not have the option of getting the allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Escrow Mechanism

Our Company and members of Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Accounts. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account and the Refund Account with the Bankers to the Issue as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus. Payment of refunds to the Bidders shall be made from the Refund Account as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Book Running Lead Manager, Members of the Syndicate and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall provide the applicable Margin Amount, and shall, with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (refer “Payment Instructions” on page [•] of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to the BRLMs. Bid-cum-Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account maintained by the refund banker.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading “Issue Structure” on page [•] of this Draft Red Herring Prospectus and shall be uniform across all the Bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares Allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable margin amount for Bidder is 100%, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to

such Bidder within 15 days from the Bid/issue closing date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a Stock Exchange is located in India and where Bids are being accepted.
- (b) BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and their authorized agents during the Bidding Period. Syndicate members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the syndicate shall upload the Bids till such time as maybe permitted by the Stock Exchanges.
- (c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE's website at www.bseindia.com or NSE's website at www.nseindia.com during the bidding period.
- (d) At the time of registering each Bid, the Syndicate members shall enter the following details of the investor in the on-line system:
 - Name of the investor (Investors should ensure that the name given in the Bid-cum-Application form is exactly the same as the Name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form)
 - Investor Category such as Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Number of Equity Shares Bid for
 - Bid price
 - Bid-cum-Application Form number
 - Whether Margin Amount has been paid upon submission of Bid-cum-Application Form
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options. It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate. The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) The BRLMs may reject a Bid placed by a QIB for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on Page [●] in this Draft Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by

our Company, BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

- (i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.
- (j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of the Bid cum Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) The Price Band can be revised during the Bidding Period, in which case the bidding period shall be extended further for a period of three days, subject to the total bidding period not exceeding ten working days. The Cap on the Price Band shall not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the Floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (d) Any revision in the Price Band will be widely disseminated by informing the Stock Exchanges, by issuing a Public Notice in two national newspapers (one each in English and Hindi) and one local newspaper and also indicating the change on the relevant websites and the terminals of the members of the syndicates.
- (e) During the Bidding Period, any Bidder who has registered its interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (f) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in such Bidder's Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (g) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid.

Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

- (h) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB margin, if any, to be paid on account of the upward revision of Bid at the time of one or more revision by the QIB Bidders.
- (i) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Only Bids that are uploaded to the online IPO system of BSE/ NSE shall be considered for Allocation / Allotment. In case of discrepancy of data between BSE or NSE and the Syndicate Member, the decision of the Book Running Lead Manager based on physical records of Bid-cum-Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLMs will analyze the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company in consultation with the BRLMs shall finalize the “Issue Price” and the number of Equity Shares to be allotted in each investor category.
- (c) The Allocation for QIBs, atleast 50% of the Issue to Public, of which 5% shall be reserved for Mutual Funds would be proportionate. The allocation to Non-Institutional Bidders and Retail Individual Bidders of upto 15% and 35% of the Issue to Public, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) In case of over-subscription in all categories, at least 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders out of which 5% shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB portion the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids. Further, upto 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- (e) Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at our sole discretion, in consultation with the BRLMs. If a minimum allotment of 50% of the Issue is not made to the QIBs, the entire subscription monies shall be refunded.

- (f) QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional margin money within a period of two days from the date of the letter communicating the request for such additional margin money.
- (g) The BRLMs, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (h) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before Allotment without assigning any reasons whatsoever.
- (i) Allocation to QIBs, Non-residents, FIIs and NRIs applying on repatriation basis will be subject to the terms and conditions stipulated by the RBI, FIPB, if any while granting permission for Allotment of Equity Shares to them.
- (j) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (k) The Allotment details shall be put up on the website of the Registrar to the Issue.

Notice to QIBs: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN, may be sent to QIBs, and the allocation of Equity Shares in such revised CAN, may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Signing of Underwriting Agreement and RoC Filing

- (a) We, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the QIB Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with Registrar of Companies, Karnataka at Bangalore, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the ROC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in an English national daily with wide circulation, one Hindi national newspaper and one regional language newspaper.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the Registrar of Companies, Karnataka at Bangalore in two widely circulated newspapers (one each in English and Hindi) and one local newspaper. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of Confirmation of Allocation Note (“CAN”)

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been Allocated Equity Shares in the Issue. The approval of the basis of allocation by Designated Stock Exchange for QIB Bidders maybe done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders and Non Institutional Bidders. However, investors should note that, we shall ensure that the date of Allotment of the Equity Shares to all the investors in this issue shall be done on the same date.
- (b) The BRLMs or Syndicate Members would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those QIB Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.
- (d) The issuance of CAN is subject to “Notice to QIB’s: Allotment Reconciliation” as mentioned above.

Designated Date and Allotment of Equity Shares

- (a) We shall ensure the allotment of Equity Shares is done within 15 days of Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and the Refund Account on the Designated Date, we would ensure the credit to the successful Bidders depositories’ account of the allotted Equity Shares to the allottees within two working days of the date of allotment. In case we fail to make

allotment within 15 days of the Bid/ Issue Closing Date, interest would be paid to the investors @15% p.a.

- (b) All allottees will receive credit for the Equity Shares directly in their depository account. **As per SEBI Guidelines, equity Shares will be issued only in the dematerialized form to the Allottees.** Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.
- (c) Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account to them pursuant to Allotment in this Issue.

GENERAL INSTRUCTIONS

Do's:

- a) Check if you are eligible to apply having regard to applicable laws, rules, regulation, guidelines and approvals and the terms of this Draft Red Herring Prospectus.
- b) Complete the Bid-cum-Application Form(White or Blue in Colour, as the case may be) after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the Bid is within Price Band;
- h) Ensure that DP account is activated;
- i) Investors must ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum-Application Form;
- j) Each of the Bidders should mentioned their PAN allotted under the IT Act; and
- k) If you have mentioned "applied for" or "not applicable" in the Bid-cum-Application Form in the section dealing with PAN number ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof; and
- l) Ensure that the demographic details as registered with your Depository participant are updated, true and correct at all respects.

Don'ts:

- a) Do not Bid for lower than the minimum Bid size;
- b) Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;
- d) Do not pay the Bid amount in cash, through stockinvest, by money order or by postal order;
- e) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;
- f) Do not Bid at Cut-off Price (for QIBs and non-institutional Bidders);
- g) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; or under the terms of this Draft Red Herring Prospectus.
- h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
- i) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.
- j) Do not Bid at Bid Amount exceeding Rs 1,00,000 in case of a Bid by a Retail Individual Bidder.

Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLMs or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for resident Indians, blue for Non-residents, including NRIs, FIIs, Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis.)
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of Rs. 1,00,000.
- (d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

- (f) In single name or in joint names (not more than three) and in the same order as their Depository Participant details.
- (g) Thumb impressions and signatures other than in the languages specified in the eighth schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

All applicants will be treated on the same basis with other categories for the purpose of allocation

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN, WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant- Identification number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS, NEFT, RTGS or direct credit and occupation ("Demographic Details"). These bank account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so can result in delay in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor our Company shall be liable to pay any interest for such delay or have any

responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/allocation advice and printing of bank particulars on the refund order and the demographic details given by Bidders in the Bid-cum-Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company nor the Escrow Collection Bank nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic mode as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of the Bids made pursuant to a power of attorney by FIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered

accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Mutual Funds registered with SEBI, Venture Capital fund registered with SEBI and Foreign Venture Capital Fund registered with SEBI, a certified copy of the SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application form, subject to such terms that we may deem fit.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs/ Allocation Advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the depository of the Bidder). In such cases, the registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from depositories.

Bids by Non-Residents, including Eligible NRIs and FIIs, on a repatriation basis

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- a) Individual NRI Bidders can obtain the Bid-cum-Application Forms from our Corporate Office or from members of the Syndicate or the Registrar to the Issue.
- b) NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange through approved banking channels shall be considered for allotment.
- c) NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid-cum-Application form meant for Resident Indians (white in colour).

Bids and Revision of Bids:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue in colour), and completed in full in **BLOCK LETTERS in ENGLISH** in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three) and in the same order as the Depository Participant details.
3. Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Portion for the purposes of Allocation and for a Bid Amount of more than Rs. 1,00,000 would be considered under Non-Institutional Portion for the purposes of Allocation. Other Non-Resident Bidders should Bid for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 1,00,000. For details, please refer the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page [•] of this Draft Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

5. Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs and FIIs, and all Non-Resident Bidders will be treated on the same basis with other categories for the purpose of Allocation.

Payment Instructions

We shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account:

- (a) The Bidders shall along with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
- (b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLMs.
- (c) The payment instruments for payment into the Escrow Account shall be marked "A/c payee only " and should be drawn in favour of:

In case of Resident Bidders	:	"Escrow Account - Radiant Public Issue - R"
Non-residents, NRIs or FIIs applying on a repatriation basis	:	"Escrow Account - Radiant Public Issue - NR"
In case of Resident QIB Bidders	:	"Escrow Account - Radiant Public Issue QIB - R"
In case of Non-resident QIB Bidders	:	"Escrow Account - Radiant Public Issue QIB - NR"

- (d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted

out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

- (e) In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.
- (f) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (g) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Refund Account.
- (h) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (i) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and the surplus amount if any shall be transferred into the Refund Account maintained with the Refund Banker.
- (j) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- (k) Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid-cum-Application Form.
- (l) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted. Investors in the QIB Category may also make payment by RTGS.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank

drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. At the time of submission of Bid-cum-Application Form and Revision Form, each member of the Syndicate shall collect the 10% or 100% Margin Amount as may be applicable.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address, as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid-cum-Application Form for bidding in this Issue. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.

6. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.
7. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. Applications without this information and that Bidders should not submit the GIR number instead of the Permanent Account Number, as the Bid is liable to be rejected on this ground. In case the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or has not obtained PAN, the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving license (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be

It may be noted that Form 60 and Form 61 have been amended *vide* a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.

Unique Identification Number ("UIN")

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Our Right to Reject Bids

In case of QIB Bidder's, our Company, in consultation with the BRLMs may reject a Bid placed by QIB's for reasons to be recorded in writing provided the rejection is made at the time of submission of Bid and the reasons thereof shall be disclosed to the QIB Bidder's. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and BRLMs have a right to reject Bids based on technical grounds. Consequent refunds shall be made in accordance with the paragraph Titled "Mode of making refunds" beginning on page [●] of this Draft Red Herring Prospectus.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- 1) Amount paid doesn't tally with the amount payable for the highest value of Equity Shares Bid for;
- 2) Age of first Bidder not given;
- 3) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
- 4) Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
- 5) NRIs, except Eligible NRIs.
- 6) Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- 7) PAN not mentioned in the Bid-cum-application form.
- 8) GIR number furnished instead of PAN;
- 9) Bids for lower number of Equity Shares than specified for that category of investors;
- 10) Bids at a price less than lower end of the Price Band;
- 11) Bids at a price more than the higher end of the Price Band;
- 12) Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
- 13) Bids for number of Equity Shares which are not in multiples of [●];
- 14) Category not ticked;
- 15) Multiple Bids as defined in this Draft Red Herring Prospectus;
- 16) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- 17) Bids accompanied by Stock Invest/ money order/postal order/cash;
- 18) Signature of sole and / or joint Bidders missing;
- 19) Bid-cum-Application Form does not have the stamp of the BRLMs or Syndicate Member;
- 20) Bid-cum-Application Form does not have Bidder's depository account details;
- 21) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), Depository Participant identification number and beneficiary account number;
- 22) Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid-cum-Application Form;
- 23) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For details, please refer the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page [•] of this Draft Red Herring Prospectus;
- 24) Bids by OCBs
- 25) Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.
- 26) Bids by QIBs not submitted through the members of the syndicate
- 27) Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws.
- 28) Bids not uploaded in the Book would be rejected;
- 29) Bids by NRIs not disclosing their residential status;
- 30) Bid in respect of which Bid cum Application form do not reach the Registrar prior to the finalization of the basis of allotment;
- 31) Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- 32) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
- 33) Any other reason which the BRLMs or our Company deem necessary

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- a) A tripartite agreement dated April 28, 2008 with NSDL, us and Aarthi Consultants Private Limited, Registrar to the Issue;
- b) A tripartite agreement dated April 21, 2008 with CDSL, us and Aarthi Consultants Private Limited, Registrar to the Issue.

All Bidders can seek allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her Depository Account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have atleast one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.
- c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
- f) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- g) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of our Company would be in dematerialized form only for all investors.

Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof. Investors can contact the Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

Disposal of Investor Grievances - Pre-Issue and Post-Issue related problems

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Srinivasa Sitharam Appikatla, as the Compliance Officer for the purposes of this IPO and he may be contacted at the registered office of our Company, as mentioned on the front cover page of this Draft Red Herring Prospectus.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders, etc.

Disposal of Applications and Applications Money

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the Bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. The mode of dispatch of refunds shall be as mentioned in the paragraph titled “Mode of Making Refunds” beginning on page [•] of this Draft Red Herring Prospectus. Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the Bidders within 15 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

The bank account details for ECS, Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories’ database and hence Bidders are required to ensure that bank details including the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the depository level are updated and correct.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 7 (seven) working days of finalisation of the basis of allotment. In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we further undertake that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch refund orders within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- We shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the Guidelines issued by Gol, Ministry of Finance pursuant to their letter no. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI’s Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Save and except refunds effected through the electronic mode i.e.. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, payorders, or demand drafts drawn on a bank appointed by us, as a refund bank, and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the electronic facility. Bank charges if any, for encashing such cheques, payorders or Demand drafts at other centres will be payable by the Bidder.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.”

Interest on Refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the GoI, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Basis of Allotment or Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue to Public less allocation to Non-Institutional and QIB Bidders (subject to minimum subscription of 50% of the Issue) shall be available for allocation to Retail Individual Bidders who have Bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 22,77,482 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 22,77,482 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a

minimum of [●] Equity Shares and multiples of one Equity Shares thereafter. For the method of proportionate basis of allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue to Public less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 9,76,064 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 9,76,064 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allotment, refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The Issue to Public less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders (subject to minimum subscription of 50% of the Issue) who have Bid in the Issue at a price, which is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion shall be determined as follows;
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the QIB Portion.
 - (ii) In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allocation to all QIBs shall be determined as follows:
 - (i) In the event of the over-subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

- (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- (c) The aggregate allocation to QIB Bidders shall not be less than 32,53,547 Equity Shares.

Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLMs.

Procedure and Time Schedule for allotment and demat credit of Equity

The Issue will be conducted through a “100% Book Building Process” pursuant to which the Underwriters will accept Bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs, the basis of allocation and entitlement to allotment based on the Bids received and subject to the confirmation by the BSE. Successful Bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful Bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalised by our Company in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalised in a fair and proper manner. Allotment to Bidders shall be as per the basis of allocation as set out in this Prospectus under “Issue Structure”.

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio in that category subject to minimum allotment of [●] Equity Shares. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.

- d) In case the proportionate allotment to any Bidders is in fractions, then the same would be rounded off to nearest integer.
- e) In all Bids where the proportionate allotment is less than [●] per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (c) above.
- f) If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If the number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares allotted to the beneficiary account with Depository Participants within 2 working days of finalization of Basis of Allotment. Applicants residing at 68 centres where clearing houses are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur will get refunds through ECS (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS.

In case of other applicants, we shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit, the bank where their refund shall be credited (as per details given to the Depository Participant), alongwith the amount and the expected date of electronic credit of refund within 15 days of closure of Issue.

We shall ensure dispatch of refund orders/advice, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid /Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders/advice are not dispatched and

in case where a refund is made through electronic mode, the refund instruction have not been given to the clearing system and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No.F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges and as further modified by SEBI's clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a the Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Electronic mode i.e. RTGS, ECS or NEFT facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference

- (A) **Direct Credit** - For investors having their Bank Account with the Refund Bankers, the refund amount would be credited directly to their Bank Account with the Refund Banker.

Applicants applying through the web/internet whose service providers opt to have the refund amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the refund amounts payable to such applicants will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.

- (B) **NEFT** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

- (C) **RTGS** - Applicants having a bank account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. and whose refund amount exceeds Rs. 10 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

- (D) **ECS** - Payment of refund would be done through ECS for applicants residing at one of the 68 centres, where clearing houses for ECS are managed by Reserve Bank of India as mentioned below:

Centres			
1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneswar	10. Surat	11. Tirupati (non-MICR)	12. Indore
13. Kolkata	14. Trichy	15. Dhanbad(non-MICR)	16. Pune
17. Chandigarh	18. Trichur	19. Nellore (non- MICR)	20. Salem
21. Chennai	22. Jodhpur	23. Kakinada(non- MICR)	24. Jamshedpur
25. Guwahati	26. Gwalior	27. Agra	28. Visakhapatnam
29. Hyderabad	30. Jabalpur	31. Allahabad	32. Mangalore
33. Jaipur	34. Raipur	35. Jalandhar	36. Coimbatore
37. Kanpur	38. Calicut	39. Lucknow	40. Rajkot
41. Mumbai	42. Siliguri (non- MICR)	43. Ludhiana	44. Kochi/Ernakulam
45. Nagpur	46. Pondicherry	47. Varanasi	48. Bhopal
49. New Delhi	50. Hubli	51. Kolhapur	52. Madurai
53. Patna	54. Shimla (non- MICR)	55. Aurangabad	56. Amritsar
57. Thiruvananthapuram	58. Tirupur	59. Mysore	60. Haldia (non- MICR)
61. Baroda	62. Burdwan (non-MICR)	63. Erode	64. Vijaywada
65. Dehradun	66. Durgapur (non- MICR)	67. Udaipur	68. Bhilwara

This would be subject to availability of complete bank account details including MICR code from the Depository. The payment or refund through ECS is mandatory for applicants having a bank account at any of the 68 centers named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit, NEFT or RTGS, as the case may be.

In case of all or any of the aforesaid modes of refund, charges, if any, levied by the Refund Bank(s) for the same would be borne by such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

For all the other applicants except for whom payment of refund is not possible through A, B, C and D, the refund orders would be dispatched "Under Certificate of Posting" for refund orders less than Rs. 1500 and through Speed Post/Registered Post for refund orders exceeding Rs. 1500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest in Case of Delay in Despatch of Refund Orders

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of public issue. We further agree that we shall pay interest @15% per annum if the refund orders have not been despatched to the applicants (or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner) within 15 days from the date of the closure of the issue.

Undertaking by our Company

We undertake as follows:

- i) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;

- ii) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- iii) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
 - that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- iv) that the refund orders or allotment advice to the non resident Indians shall be dispatched within specified time; and
- v) that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

In addition to the above we undertake the follows:

- At any given time there shall be only one denomination for the shares of our Company, and
- We shall comply with such disclosure and accounting norms specified by the Board from time to time.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- i) all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- ii) details of all monies utilized out of the issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer company indicating the purpose for which such monies had been utilized; and
- iii) details of all unutilized monies out of the issue of shares or debentures, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer company indicating the form in which such unutilized monies have been invested.

We shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (IT and ITES) is allowed up to 100% under the automatic route.

RBI, vide its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell equity shares of our Company through a registered broker on the stock exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post-issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Subscription by Eligible NRIs/FIIs/FVCIs

It is to be distinctly understood that there is no reservation for Non Residents including Eligible NRIs, FIIs and FVCIs and all Non Residents will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains,

dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FII

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of equity shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company, or 5% of the total paid-up capital in case such sub-account is a foreign corporate or an individual. In respect of an FII investing in equity shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("the Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.. Accordingly, the Equity Shares are only being offered or sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLMs are liable for any changes in the regulations after the date of this Draft Red Herring Prospectus.

SECTION- X- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

The Authorized capital of our Company is Rs. 25 crores divided into 2,50,00,000 Equity Shares of Rs. 10/- each.

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Share Capital

3. The Authorized Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company.”

Prohibition of investments of funds in Company's own shares

4. Except as provided by section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of the shares of the Company and the Company shall not give whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with a purchase or subscription made or to be made by any person of, or for, any shares in the Company.

Allotment of Shares

5. The Board shall duly comply with Section 75 of the Act with regard to all allotment of shares from time to time.

Further issue of Capital

6. 1. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then:
 - a. Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;
 - b. The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

- d. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.
2. Notwithstanding anything contained in sub clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof in any manner whatsoever.
 - a. If a special resolution to that effect is passed by the company in general meeting, or
 - b. Where no such resolutions passed, if the votes cast (whether on a show of hands or on a poll as the case maybe) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.

POWER TO ISSUE SHARES OF DIFFERENT CLASSES

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, shares in the Company may be issued with such preferred, or other special rights or such restrictions whether in regard to dividend, return of capital or otherwise, as the Company may from time to time by consent in writing of holders of not less than three-fourths of the issue shares of that class or with the sanction of special resolution passed at a separate meeting of the holders of the issued shares of that class determine.

Issue/grant of shares / options to employees under Employees Stock Option Schemes:

- 7A. Subject to the provisions of these Articles and in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the time being in force and any modifications thereof from time to time and Section 79A or other applicable provisions, if any, of the Companies Act, 1956 and of various other laws governing the issue, the company may issue equity shares, and/or equity linked instruments and/or any other instrument or securities or grant options convertible into equity shares under a Scheme or Plan as may be framed in this regard or through a trust set up for this purpose or otherwise to the employees of the company or such other persons entitled thereto."

Issue of further shares pari passu shall not affect the right of shares already issued.

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for by terms of issue of the shares of that class, be deemed to be varied by the creation of further shares, ranking pari passu therewith.

Power to pay Commission

13. The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely conditionally) for any shares, debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or

conditional) for any shares, debentures, or debenture-stock of the Company. The Statutory conditions and requirements shall be observed and complied with and the rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures the rate of the commission shall not exceed two and a half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The company may also on any issue of shares or debentures pay such brokerage as may be lawful.

Issue of other than for cash

15. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied, or for services rendered or to be rendered to the Company in or about the acquisition and/or conduct of its business and any shares may be allotted as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.

Acceptance of shares

16. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

SHARE AND DEBENTURE CERTIFICATES

Rights of certificates

17. 1) Every person whose name is entered as a member in the register shall be entitled to receive without payment:
- a) One certificate for all his shares; or
 - b) Where the shares so allotted at any one time exceed the number of shares fixed as market lot in accordance with the usages of the Stock Exchange, at the request of the shareholder several Certificates on each per marketable lot and one for the balance.
- 2) **Limitation of Time for Issue of Certificates:**

Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the as the Directors so time determine) to several certificate, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of share to one or several joint holders shall be a sufficient delivery to all such holder.

Certificate to be under seal

18. Every Certificate shall be under the seal of the Company and shall specify the shares or debentures to which it relate and the amount paid-up thereon.

Certificate for joint holders

19. In respect of any share or shares held jointly several persons, the Company shall not be bound to issue more than one Certificate for the same issuance of Share Certificate to the first joint holder shall, be sufficient delivery to all such holders; subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several Certificates in accordance with Article 17 above.

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED:

21. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that not with standing what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutates-mutandis apply to debentures of the company.

Splitting and consolidating of share certificate

22. Any registered holder of the shares being in possession of any Share Certificate or Share Certificates for the time being may surrender such Share Certificate or Certificates to the Company and apply to the Company for the issue of two or more fresh share certificates comprising the same bearing the same distinctive numbers as were comprised in the said certificates and in such separate lots as he may desire, in lieu of and in cancellation of such Share Certificate so surrender, or for the consolidation of the shares comprised in such surrender Certificates into one certificate and the directors may, in lieu of and in cancellation of Certificates so surrendered, issue one or more such share certificates as the case may be in the name of the person or persons in whose name the original certificates stood and the new Certificates so issued shall be delivered to the person who surrendered the original Certificates or to his order. No fee shall be charged for sub-division or consolidation of share certificates into market lots and where share certificates are issued for either more or less than market lots, sub-division and/or consolidation should be done free of charge.

Issue of Certificates

23. Every Certificate of title to the share or shares shall be issued only in accordance with the provisions of Companies (issue of Share Certificates) Rules, 1960, or any amendment thereof or any provision of law applicable thereto, for the time being in force.

CALLS ON SHARES

Calls

24. Subject to the provisions of Section 91 of the Act the Board may, from time to time, make such calls as they think fit upon the members in respect of all money unpaid on the shares held by them respectively whether on account of the nominal value of the shares or by way of premium and not by the conditions of allotment thereof made payable at fixed times, and the members shall pay the amount of every call so made on them to the person and at the time and place appointed by the Board.

LIEN

33. The company shall have a first and paramount lien upon all the shares / debentures (other than fully paid-up shares/ debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/ debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/ debentures. The Directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provisions of this clause.

Enforcing of lien by sale

34. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until the expiration of fourteen days after a notice in writing stating and demanding payable has been given to the registered holder of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency of the registered holder.

Authority to transfer

35. To give effect to such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

FORFEITURE OF SHARES

If call or installment not paid, notice may be given

37. If a member fails to pay any call or installment of a call on the day appointed for the payment thereof, the Board may, at any time thereafter and during such time as any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or interest as is unpaid, together with any interest, which may have accrued.

If notice not complied with, shares may be forfeited

39. If requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the

Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Transfer to infants, insolvents and persons of unsound mind

46. No share shall in any circumstances be transferred to an infant, insolvent or person of unsound mind.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

47. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

REGISTER OF MEMBERS

Register of Members and Debenture Holders

58. The Company shall keep at its registered office in one or more books a register of its members and debenture holders commencing from the date of the registration of the Company and an index of members and debenture holders and enter therein the particulars prescribed in Section 150, 151 and 152 of the Act and the Companies (Issued of Share Certificate) Rules 1960 or any modification thereof for the time being in force.

Inspection of Registers

59. The Register of Members and the index or Members, Index of Debenture holders and copies of annual returns prepared under Section 159 of the Act shall be open to the inspection of any member without payment of any fee and to the inspection of any other persons on payment of one Rupee for each inspection and copies of extracts from such register may be furnished in accordance with the provisions of section 163 of the Act.

ALTERATION OF CAPITAL

Alteration of capital

69. (1) The Company in General Meeting may from time to time by Ordinary Resolution alter the conditions of its Memorandum of Association as follows, that is to say, it may:-
- (a) Increase its share capital by such amount as it thinks expedient by creating new shares;
 - (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) Convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination;
 - (d) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

- (e) Cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so canceled.
- (2) The resolution whereby any share is sub-divided may determine that, as between the holder of the share resulting from such sub-division one or more of such shares shall have some preference of special advantage as regards dividend, capital or otherwise over or as compared with the others.

Reduction of capital etc.

71. The Company may by special resolution reduce in any manner and with, and subject to any incident authorized and consent required by law:
- (a) its share capital: (b) any Capital Redemption Reserve Account; or
 - (c) any Share Premium Account.

DEMATERIALISATION OF SECURITIES

72. II) Dematerialization of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities in a dematerialised form pursuant to the Depositories Act, 1996.

III) Options for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

IV) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

VII) Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

VIII) Allotment of Securities dealt with in a depository

Notwithstanding anything in the Act, or these articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository

immediately on allotment of such securities.

IX) Distinctive numbers of Securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

XII) Issue of Sweat Equity Shares/Employees Stock Option Schemes:

Subject to the provision of these Articles and in accordance with the provisions of Section 79A of the Companies Act, 1956 and of various other laws governing the issue, the Board may issue and allot Sweat Equity Shares under Employees Stock Option Schemes to the person entitled thereto".

GENERAL MEETINGS

Annual General Meetings

73. The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its annual general meeting at intervals and in accordance with the provisions specified below:-

- (a) The first annual general meeting of the company shall be held within eighteen months of its incorporation.
- (b) The next annual general meeting of the Company shall be held within six months after the expiry of the financial year in which the first annual general meeting was held and thereafter the annual general meeting shall be held by the Company within six months after the expiry of each financial year, subject however to the power of the Registrar of Companies to extend the time within which such a meeting can be held for a period not exceeding three months, and subject thereto not more than fifteen months shall elapse from the date of one annual general meeting and that of the next.
- (c) Every annual meeting shall be called for at a time during business hours on a day that is not a public holiday under the Negotiable Instruments Act and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated.
- (d) Notice calling such meetings shall specify them as Annual General Meetings.
- (e) All other Meetings shall be referred to as Extraordinary General Meetings.

Extraordinary General Meeting

74. The Board may whenever they think fit convene an Extraordinary General Meeting at such time and at such place as they deem fit. Subject to the directions if any given by the Board, the secretary may convene Extraordinary General Meetings.

Length of notice for calling meeting

76. A General meeting of the Company may be called by giving not less than 21 days notice in writing, provided that a general Meeting may be called after giving shorter notice if consent thereto is accorded in the case of Annual General Meeting by all the Members entitled to vote thereat and in the case of any other meeting, by members of the Company holding not less than 95% of that part of the paid up share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be

taken into account for purpose of this article in respect of the former resolution or resolutions and not in respect of the latter.

Special Business

78. (a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of business relating to
- (i) The consideration of the accounts, Balance Sheet, Reports of the Directors and Auditors;
 - (ii) The declaration of a Dividend;
 - (iii) The appointment of Directors in the place of those retiring; and
 - (iv) The appointment and fixing of the remuneration of the Auditors
- (b) Where any items of business to be transacted at the meeting are deemed to special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director of the Company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Provided that where any item of special business as aforesaid to be transacted at the meeting of the Company, relates to or affects any other Company, the extent of share holding interest in that other Company of every Director of the Company, shall also be set out in the statement if the extent of such share holding interest is not less than 20% of the paid up share capital of that other company.

PROCEEDINGS AT GENERAL MEETINGS

Quorum

79. Five members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the time when the meeting proceeds to business.

If quorum not present when meeting to be dissolved and when to be adjourned

80. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and same place or to such other day and at such other times as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meetings the members present shall be a quorum.

Chairman of General Meeting

81. (1) The Chairman of the Board of Directors, shall preside as Chairman at every General Meeting of the Company.
- (2) If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, the members present shall choose another Director as Chairman of the meeting, and if no Directors be present or if all the Directors

decline to take the chair, then the members present shall choose some one of their number to the Chairman of the meeting.

Adjournment of the meeting

82. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned or of the business to be transacted at an adjourned meeting.

Vote by joint holders

91. If there be joint registered holders of any share, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled here to but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, that of the said persons so present whose name stands first on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these articles be deemed joint-holders thereof.

Chairman of any Meeting to the Judge of validity of any vote

99. The Chairman of any meeting shall be the sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes

100 (1) The Company shall comply with the requirements of Section 193 of the Act, in respect of keeping of the minutes of all proceedings of every General Meeting and every meeting and every meeting of the Board or any committee of the Board.
(2) The Chairman of the meeting may exclude at his absolute discretion such of the matters as, or could reasonably be regarded as, defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

DIRECTORS

Number of Directors

101. Until otherwise determined by a General Meeting and subject to the Section 252 of the Act, the number of Directors shall be not less than Three and not more than Twelve including all kinds of Directors.

Remuneration of Directors

103. Every Director (including the ex-officio Director) other than the Managing Director and the whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in

attending and returning from the meetings of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company to and from any place.

Qualification of Directors

105.A Director shall require no share qualification.

Additional Director

106.The Directors shall have power at any time and from time to time to appoint any other person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any Directors so appointed shall hold office only until the conclusion of the next following Annual General Meeting of the Company and shall be eligible for re-election at such meeting.

Casual Vacancy

107.Any Casual Vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date on which the director in whose place he is appointed would have held office if it had not been vacated.

Alternate Directors

108.(1) The Board of Directors of the Company may appoint Alternate Director in place of a Director (hereinafter called in this Clause "The Original Director") during his absence for a period of not less than three months from the State of Karnataka.

(2) An Alternate Director appointed under sub clause (1) shall not hold office as such as for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State of Karnataka.

(3) If the term of office of the Original Director is determined before he so returns to the State of Karnataka any provision for the automatic re-appointment or rearing Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Rights of Directors

112.Except as otherwise provided by these Articles, all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

RETIREMENT OF DIRECTORS

Rotation and retirement of Directors

113.(1) At the First Annual General Meeting after the adoption of these Articles all the Directors except the Ex-officio Directors, if any, shall retire from office and at the Annual General Meeting of the Company in every subsequent year, one-third of Directors who are liable to retire by rotation of the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

(2) Ex-Office Directors shall not be liable for retirement by rotation

- (3) The term Ex-Officio Directors means any Technical, Special or Debenture Director appointed under Article 138 below.

Retiring Director eligible fore re-election

114.A retiring Director shall be eligible for re-election and the Company at the General Meeting, at which a Director retires in the manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person there-to.

Which Directors to retire

115.The Directors to retire in every year shall be those who have been longest in office since their last election; but, as between persons who became Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

Power of General Meeting to increase or reduce number of Directors

117.Subject to the provisions of Section 252, 255 and 259 of the Act the Company in General Meeting may increase or reduce the number of Director and may also determine in what rotation the increased or reduced number is to retire.

Powers to remove Directors by ordinary resolution

118.Subject to the provisions of Section 284 of the Act the Company may, by on ordinary resolution, remove any Director before the expiry of his period of office and by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

PROCEEDINGS OF DIRECTORS

Meeting of the Board

- 120.(1) The Board may meet for the dispatch of business, adjourn and otherwise regulate the meetings, as they think fit, provided that a meeting of the Board shall be held at least once in every three calendar months subject to the provisions of Section 285 of the Act.
- (2) The Secretary may as and when necessary, and shall on the requisition of a Director at any time summon a meeting of the Board.

Quorum

121.The quorum for a meeting the Board shall be one-third of the total strength any fraction contained in that one-third being rounded off as one or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say the number of the Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any whose place are vacant at the time. The term "interested Director" means any director whose presence cannot by reason of Section 300 of the Act count for purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

Chairman

- 123.(1) The Directors may elect a Chairman of their meeting and determine the period for which he is to hold office and unless otherwise determined the Chairman shall be elected annually.
- (2) The directors may also likewise elect one of their members as Vice-Chairman to preside over their meetings, in the absence of the Chairman and determine the period for which he is to hold office and unless otherwise determined, the Vice-Chairman shall be elected annually. The Vice-Chairman shall, in the absence of the Chairman, have all the powers conferred on the chairman by these articles.
- (3) If no person has been appointed as Chairman under clause (1) above and/or Vice-Chairman under clause (2) above or, if at any meeting the Chairman and the Vice-Chairman are not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be chairman of the meeting.

Committee

- 124.(1) The Board of Directors may from time to time appoint one or more committees consisting of one or more members of their body, as the Board may deem fit.
- (2) The quorum of a committee may be fixed by the Board and until so fixed if the Committee is of a single member or two members the quorum shall be one and if more than two members it shall be two.

Election of Chairman of the Meeting of the Committee

- 125.If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee. If the Chairman is not a member thereof, the Committee may elect a Chairman of its meetings; if no such Chairman is not present if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members of the Committee present may choose one of their number to be Chairman of the Meeting.

Resolution by Circulation

- 128.Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be and to all other Directors or members of the Committee at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution, shall be as valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

Appointment and powers of Managing Directors / Whole-time Directors Technical Directors.

- 130.(1) Subject to the provisions of section 269, 198 and 309 and other provisions of the Act, the Board may appoint one more of their number as Managing Direct or Managing Directors, whole-time Director or whole-time Directors, or Technical Director or Technical Directors at such remuneration and upon such conditions as they think fit. Shall be decided at the Meeting of the Board of Directors of the Company.

- (2) A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, and he shall, ipso facto and immediately, cease to be a Managing Director or whole-time Director or Technical Director if he ceases to hold the office of Director from any cause.
- (3) Subject to the provision of the Act and to the general supervision and control of the Board, any Managing Director or Managing Directors or Whole-time Director Whole-time Directors to Technical Director or Technical Directors shall have the general direction, management and superintendence of the business of the Company with power to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the Company, including power to appoint, suspend and dismiss officers, staff and workmen of the Company, to make and sign all contracts and receipts and to draw, accept, endorse and negotiate on behalf of the Company all such Bills of Exchange, Promissory Notes, Hundies, Cheques, Drafts, Government Promissory Notes, or other Government papers and other instruments as shall be necessary, proper or expedient for carrying on the business of the Company and to operate on the Bank accounts of the Company and to represent the Company in all suits and all other legal proceedings and to engage Solicitors, Advocates and other Agents and to sign the necessary paper, documents and instruments of authority to appoint agents or other attorneys and to delegate to them such powers as the managing Director may deem fit and at pleasure such powers to revoke and generally to exercised all such power and authorities as are not by the Companies Act for the time being in force or by these Articles expressly directed to be exercised by the Board of Directors or by the company in General Meeting.
- (4) The Managing Director Management Directors or Whole-time Director, Whole-time Directors or Technical Director or Technical Directors shall not exercise the powers to;
- (a) Make calls on Shareholders in respect of Money unpaid on their Shares in the Company.
 - (b) issue debentures; and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to:-
 - (c) borrow Moneys, otherwise than on debentures:
 - (d) invest the funds of the Company; and
 - (e) make loans.
- (5) Technical Director or Technical Directors shall advise the Board on Technical matters and perform such duties and shall exercise such powers as are assigned to him or them by the Board.
- (6) The company shall not appoint or employ, or continue the appointment or employment of a person as its Managing Director or whole-time Directors or Technical Director who:-
- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent;
 - (b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made a composition with them; or
 - (c) is, or has at any time been, convicted by a Court of an offense involving moral turpitude.

Legal Proceeding

131. Any Managing Director or the Secretary for the time being or any other person duly authorized by the Director shall be entailed to make, give, sign and execute all and every warrant to sue or defend on behalf of the Company, all and every legal proceedings and compositions or compromise, agreement, and submission to arbitration and agreement to refer to arbitration as may be requisite, and for the purposes aforesaid, the Secretary or such other person may be empowered to use their or his own name on behalf of the Company, and they or he shall be saved harmless and indemnified out of the funds and property of the Company, from and against all costs and damages which they or he may incur or be liable to by reason of their or his name being so used as aforesaid.

Duly of Maintain Registers etc. and Record of Minutes

134. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of the mortgages and charges affecting the properties of the Company or created by it and to keeping a Register of the Directors and to sending to the Registrar annual list of members and a summary of particulars of shares and stock and copies of special resolution and such other resolutions of the Board as are required to be filed with the Registrar under Section 191 of the Act and a copy of the Registrar of Directors and notification of any changes therein.

Secretary

135. The Board shall have power to appoint as the Secretary a person fit in their opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as they may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Directors.

Powers as to Commencement of Business or Branch of Business

136. Any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorized to be undertaken by the Company, may be undertaken by the Board at such time to times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

BORROWING

Borrowing

137.(1) The Board of Directors may from time to time but subject to such consent of the Company in general meeting as may be required under Section 293 of the Act raise any money or any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, shall not without the sanction of the Company at a general meeting exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities, and in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets or revenue of the Company

present or future, including its uncalled capital, by special assignment or otherwise, or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

COMMON SEAL

Common Seal

144. The Board shall provide a Common seal for the Company and shall have power from time to time to cancel the same and substitute a new seal in lieu thereof. The Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Secretary.

Official Seal for sue abroad

145. The Company may exercise the powers conferred by section 50 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Directors and exercised by them in accordance with the said section.

Affixture of Common Seal

146. The Seal shall not be affixed to any instrument except by authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company be signed by two Directors in whose presence the seal shall have been affixed and also signed by the Secretary or such other person as may from time to time be authorized by the Board.

DIVIDENDS AND RESERVES

Right to Dividend

147. (a) The profits of the Company (including capital profits) subject to any special rights relating thereto created or authorized to be created by these presents, and subject to the provisions of these presents, as to the Reserve Funds, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid up on any shares in advance of calls, upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

Power of Directors for Declaration of Bonus

161. (1) Whenever such a resolution as aforesaid has been passed the Board shall:

(a) Make all appropriations and applications of the undividend profits resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures if any.

(b) generally, to do all acts and things required to give effect thereto.

(2) The Board shall have full power;

- (i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as they think fit, in the case of shares or debentures becoming distributable in fractions and also.
- (ii) to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up, of any further shares or debentures which they may be entitled to upon such capitalisation, or (as the case may require), for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (iii) Any agreement made under the authority shall be effective and binding on all such members.

ACCOUNTS

Book of Accounts

- 162.(1) The Board shall cause proper books of accounts to be kept in respect of sum of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchase of goods by the Company, and of the assets and liabilities of the Company.
- (2) If the Company shall have branch office, whether in or outside India, proper books of accounts relating to the transactions effected at that office, shall be kept at that office, and proper summarized returns, made up to date at intervals of not more than three months, shall be sent by the branch office to company at the branch office to company at the Registered Office or other place in India as the Board thinks fit, where the main books of the Company are kept.
- (3) Provided that all or any the Books of accounts aforesaid may be kept at such other place in India, as the Board of Directors so decided, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- (4) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch, as the case may be, with respect to the matters aforesaid, and explain its transactions.

Inspection by Members

163. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no members (not being Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by statute or authorized by the Board or by a resolution of the Company in General Meeting.

Statement of Accounts to be furnished to Annual General Meeting.

164. The Board shall lay before each Annual General Meeting a Profit and Loss Account for the Financial Year of the Company and Balance Sheet made up as at the end of the financial year which shall be date not preceding the day of the meeting by more than six months or such extended period of time as shall have been granted by the Registrar under the provisions of the Act.

ANNUAL RETURNS

Annual Returns

170. The company shall make the requisite annual returns in accordance with Sections 159 and 161 of the Act.

AUDIT

Accounts to be Audited

171. Every Balance Sheet and Profit and Loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

Appointment of Auditors

172. (1) The Company at each Annual General Meeting shall appoint an Auditor to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and every auditor, so appointed shall be intimated of his appointment within seven days and every auditor so appointed unless he is a retiring auditor, shall within 30 days of the receipt from the Company of the intimation of his appointment, inform the Registrar of Companies in writing that he has accepted or refused to accept the appointment.

(2) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless.

(a) He is not qualified for re-appointment;

(b) He has given the Company notice in writing of his unwillingness to be re-appointed;

(c) A resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed;

(d) Where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or any or all of those persons as the case may be, the resolution cannot be proceeded with.

(3) Where at an Annual General Meeting no Auditor as appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(4) The Company shall, within seven days of the Central Government's power under clause (3) becoming exercisable, give notice of that fact to that Government.

(5) The Board may fill any casual vacancy in the office of an Auditor, so however that while any such vacancy continues, the remaining Auditor or Auditors (if any) may act; but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(6) A Person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of such notice to the retiring Auditor and shall send a copy of such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

- (7) Any Auditor may before the expiry of his term be removed from the office by the Company in General Meeting after obtaining the previous approval of the Central Government in that behalf.
- (8) The person qualified for appointment as Auditor shall be only those referred to Section 226 of the Act.

WINDING UP

Winding up

187. Subject to the provisions of the Act as to preferential payments the assets of the Company shall on its winding up, be applied in satisfaction its liabilities *par passu* and, subject to such application shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

INDEMNITY AND RESPONSIBILITY

Right of Directors and others to indemnity

- 189.(1) Subject to the provisions of Section 201 of the act every Director, Manager, Secretary and other Office or employees of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such director, officer or employee may incur or become liable to be reason of any contract entered into, or act or deed done by him or in any other way in the discharge of his duties as such Director, Officer, or Employee.
- (2) Subject to as aforesaid every Director, Manager Secretary or other Officer or employee of the Company shall be indemnified against any liability incurred by them in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which they or he is acquitted or discharged or in connection with any application under section 633 of the Act in which relief is given to them or him by the court.

Secrecy clause

- 191.(1) No member shall be entitled to visit or inspect the company's works without the permission of the Directors of Secretary, or to require discovery of or any information respecting any detail of the company's striding or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the company and which in the opinion of the Board or the Secretary it will be inexpedient in the interest of the Company to communicate to the Public.
- (2) Every Director, Manager, Secretary, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall if so required by the Board, before entering upon his duties or at any time during his time of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any matters which may come to his knowledge in the discharge of duties except when required so to do by the Board of directors or by any General Meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at 2227/1, Div No.52A, 9th Main, Banashankari Stage II, Bangalore - 560 070, India from 11.00 hours to 15.00 hours on any working day, excluding Saturday and Sunday from the date of this Draft Red Herring Prospectus until the Bid/Offer closing date.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated June 17, 2008 among the Company, IL&FS Investsmart Securities Limited and Saffron Capital Advisors Private Limited, appointing them as Book Running Lead Managers to the issue.
2. Memorandum of Understanding dated February 15, 2008 between the Company and Aarthi Consultants Private Limited appointing them as Registrar to the issue.
3. Letter of Appointment dated February 19, 2008, appointing M/s. ALMT Legal, as Legal Advisor to the Issue.
4. Tripartite Agreement dated April 28, 2008 among our Company, NSDL and Aarthi Consultants Private Limited.
5. Tripartite Agreement dated April 21, 2008 among our Company, CDSL and Aarthi Consultants Private Limited.
6. Escrow agreement dated [•] 2007 between our Company, the BRLMs, Escrow Collection Banks, and the Registrar to the Issue.
7. Syndicate agreement dated [•] 2007 between our Company, the BRLMs and the Syndicate Members.
8. Underwriting agreement dated [•] 2007 between us, the BRLMs and the Syndicate Members.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated September 25, 1997 bearing Certificate of incorporation number 08-22820 of 1997 issued by the Registrar of Companies, Karnataka, Bangalore.
3. Fresh Certificate of incorporation dated January 22, 2008, received consequent to change of name on conversion into a public limited company.
4. Resolution passed under Section 81 (1A) of the Act, at the Extra Ordinary General Meeting of our Company held on March 28, 2008.

5. Resolution dated January 28, 2008, appointing Mr. Venu Myneni as our Chairman & Managing Director.
6. Resolution dated January 28, 2008, appointing Mr. Vinod Koduru as our Vice Chairman & Executive Director.
7. Resolution dated March 26, 2000, appointing Mr. C. Narayanacharyulu as our Director.
8. Share Valuation report dated November 01, 2007, issued by Sobhagya Capital Options Limited (SEBI Registered Category I Merchant Banker - SEBI Regn No. INM000008571) to determine the fair value for the purpose of share swap arrangement.
9. Due Diligence Certificate dated July 28, 2008 to SEBI from the BRLMs.
10. Copy of Software Marketing and Licensing Agreement dated March 20, 2008 entered into between our Company and Radgov, Inc.
11. Copy of Agreement of Non-Competition in Business dated March 18, 2008 between Radgov Inc and Radiant Systems, Inc.
12. Copy of Business Transfer Agreement dated April 01, 2007 between our Company and Radiant Systems, Inc.
13. Consent from the Directors, Compliance Officer, Auditor, Book Running Lead Manager, Registrar to the Issue, Bankers to the Issue, Bankers to our Company, Underwriters, Legal Advisor to act in their respective capacities.
14. Consent of the IPO Grading Agency for inclusion of their report dated [●] in the form and context in which they appear in the Red Herring Prospectus and the Prospectus.
15. Certificate dated July 12, 2008 from the statutory auditors, P. Murali & Co., Chartered Accountants, detailing the tax benefits.
16. Audit report by the statutory auditor, P. Murali & Co., Chartered Accountants dated July 12, 2008 included in the Draft Red Herring Prospectus and copies of the Balance Sheet referred in the said report.
17. Copy of the Certificate from the statutory auditors, P. Murali & Co., Chartered Accountants, dated July 14, 2008 regarding the sources and deployment of funds as on July 14, 2008.
18. Copies of Initial Listing Application made to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
19. Copy of in-principal approval received from the Bombay Stock Exchange Limited and National Stock Exchange of India Limited dated [●] and [●] respectively.
20. SEBI observation letter no. [●] dated [●].
21. Reply by the BRLM dated [●] for the above SEBI observation letter.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XII - DECLARATION

We, the Directors of the Company, hereby declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the government or the guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Venu Myneni

Mr. V. V. Parthasarathy

Mr. Vinod Koduru

Mr. M.N. Nambiar

Mr. C. Narayanacharyulu

Mr. Venu Madhav Palaparthi

SIGNED BY THE FINANCE MANAGER

Mr. Satish Anand

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Srinivasa Sitharam A.

Place: Bangalore

Date: July 28, 2008