

REPORT OF THE DIRECTORS

Principal activities

The Company is engaged in providing IT services, software development and support services.

Business Review

Your Company is pleased to report improved profitability on the platform of a steady performance.

Revenues have grown to GBP 17.87 million (previous year GBP 16.81 million). Gross profits grew to GBP 5.02 million (previous year GBP 3.93 million). Net profit doubled at GBP 0.29 million (previous year GBP \$ 0.12 million).

As mentioned in the last report, revenues from newer markets, particularly the Nordics, had become attractive. Focus in these geographies has enabled the acquisition of several new customers which are expected to gather traction in the next fiscal.

The focus in identified business segments, investments in and development of solutions and deployment of a trained sales force in the defined geographies, have yielded encouraging results. Further, the opening up of the Benelux and Nordic companies to offshore outsourcing, and their positive outlook towards Indian IT companies and India as a whole as a sourcing option, is a significant development.

With these efforts and sharpened focus, the Company is confident of meeting the expectations of its stakeholders in the next year.

Key Performance Indicators

	Year Ended March 31 2008 GBP (million)	Year Ended March 31 2007 GBP (million)
Total Income	17.92	16.81
Cost of Sales	12.84	12.88
Gross Profit	5.02	3.93
Operating Profit	0.40	0.19
Profit before Tax	0.44	0.21
Profit after Tax	0.29	0.12

Financial risk management objectives and policies

The objective of financial risk management is to protect the value of the Company's financial assets against possible erosion due to adverse materialisation of risks related to credit, liquidity, interest rate and foreign currency exposures.

The existence of financial assets exposes the Company to a number of financial risks. The main risks are market risk due to the currency risk, credit risk and liquidity risk.

a) Market risk – currency risk

The Company is exposed to translation and transaction foreign exchange risk. Approximately 13% of its sales are in US dollars and the Company pays its major supplier, its parent company, mostly in US dollars. It limits its exposure by holding foreign currency in currency bank accounts. It does

not currently hold any hedging instruments but foreign exchange management is kept under regular review.

b) Credit risk

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is nil and so the principal credit risk arises on trade debtors. However the Company's customers are mostly blue chip companies and the Company has no history of significant bad debts.

c) Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Directors

The Directors in office at the end of the year are listed below. All served on the Board throughout the year, unless indicated otherwise.

The interests of the Directors in the shares of the Company as at 31st March, 2008 and 1st April, 2007 were as follows:

	2008 and 2007 Ordinary Shares
A. Singh	-
B. B. Chatterjee	-
S. Puri	-

The Company is a wholly owned subsidiary of ITC Infotech India Limited, which is incorporated in India.

Directors' responsibilities for the financial statements

UK Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware: (i) there is no relevant audit information of which the Company's auditors are unaware; and (ii) they have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that audit information.

Auditors

Grant Thornton UK LLP offer themselves for reappointment in accordance with Section 385 of the Companies Act, 1985.

Approved by the Board on 12th May, 2008 and signed on behalf of the Board by

S Puri
Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ITC INFOTECH LIMITED

We have audited the financial statements of ITC Infotech Limited for the year ended 31 March 2008 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement, statement of total recognised gains and losses and notes 1 to 19, excluding the supplementary information disclosed in Indian Rupees. These financial statements have been prepared under the accounting policies set out therein.

We have not audited the supplementary information stated in Indian Rupees included in these financial statements. The information has been included at the request of the parent company and is for information only.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Report of the directors and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements, excluding the supplementary information, give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements, excluding the supplementary information, have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the directors is consistent with the financial statements.

GRANT THORNTON UK LLP REGISTERED AUDITORS CHARTERED ACCOUNTANTS

Central Milton Keynes
12th May, 2008

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company are set out below and remain unchanged from the previous year.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Turnover from services performed on a "time and materials" basis is recognised as income as and when the services are performed.

Turnover from software projects performed on a "time bound fixed price" basis is recognised as income at the point which the "milestone" agreed with the customer is achieved.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated to write down the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	– 25%
Fixtures and fittings	– 25%
Computer equipment	– 25%

Leased assets

All leases are operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Recruitment costs

Legal costs and other charges incurred to obtain visas and other required immigration papers for recruits, recruitment fees and relocation costs are included in prepayments and amortised over the lesser of 2 years or the expected employment period of the employees.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 £	Unaudited 2008 Rs.	2007 £	Unaudited 2007 Rs
Turnover	1	17,865,477	1,443,072,714	16,814,387	1,431,072,471
Cost of sales		<u>12,843,897</u>	<u>1,037,457,732</u>	<u>12,883,682</u>	<u>1,096,530,157</u>
Gross profit		5,021,580	405,614,982	3,930,705	334,542,314
Other operating charges	2	<u>4,625,258</u>	<u>373,602,318</u>	<u>3,740,981</u>	<u>318,394,881</u>
Operating profit	3	396,322	32,012,664	189,724	16,147,433
Interest receivable	5	<u>45,931</u>	<u>3,710,024</u>	<u>23,779</u>	<u>2,023,796</u>
Profit on ordinary activities before taxation		442,253	35,722,688	213,503	18,171,229
Tax on profit on ordinary activities	6	<u>148,792</u>	<u>12,018,580</u>	<u>92,609</u>	<u>7,881,910</u>
Profit for the financial year	16	<u>293,461</u>	<u>23,704,108</u>	<u>120,894</u>	<u>10,289,319</u>

All of the activities of the company are classed as continuing.

BALANCE SHEET AS AT 31ST MARCH 2008

	Note	2008 £	Unaudited 2008 Rs.	2007 £	Unaudited 2007 Rs
Fixed assets					
Tangible assets	8	<u>33,751</u>	<u>2,726,212</u>	<u>43,671</u>	<u>3,716,917</u>
Current assets					
Debtors	9	4,693,080	379,080,642	4,996,690	425,268,272
Loans and advances		246,065	19,875,732	35,044	2,982,632
Deferred tax recoverable	10	14,190	1,146,221	15,971	1,359,292
Cash at bank		<u>1,466,997</u>	<u>118,495,752</u>	<u>1,066,307</u>	<u>90,753,350</u>
		6,420,332	518,598,347	6,114,012	520,363,546
Creditors: amounts falling due within one year	11	<u>3,777,540</u>	<u>305,128,472</u>	<u>3,762,551</u>	<u>320,230,747</u>
Net current assets		2,642,792	213,469,875	2,351,461	200,132,799
Total assets less current liabilities		<u>2,676,543</u>	<u>216,196,087</u>	<u>2,395,132</u>	<u>203,849,716</u>
Capital and reserves					
Called-up equity share capital	15	685,815	55,396,278	685,815	58,369,715
Profit and loss account	16	<u>1,990,728</u>	<u>160,799,809</u>	<u>1,709,317</u>	<u>145,480,001</u>
Shareholders' funds	17	<u>2,676,543</u>	<u>216,196,087</u>	<u>2,395,132</u>	<u>203,849,716</u>

These financial statements were approved by the Directors on 12th May, 2008 and are signed on their behalf by :

Date : 12th May, 2008

S Puri Director
H S Garewal Chief Executive Officer
P Banerjee Financial Controller

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	Note	2008 £	Unaudited 2008 Rs.	2007 £	Unaudited 2007 Rs
Net cash (outflow)/ inflow from operating activities	18	452,565	36,555,656	735,250	62,577,168
Returns on investments and servicing of finance					
Interest received		<u>45,931</u>	<u>3,710,024</u>	<u>23,779</u>	<u>2,023,796</u>
Net cash inflow from returns on investments and servicing of finance		45,931	3,710,024	23,779	2,023,796
Taxation		<u>(79,284)</u>	<u>(6,404,073)</u>	<u>(248,265)</u>	<u>(21,129,838)</u>
Capital expenditure					
Payments to acquire tangible fixed assets		<u>(18,522)</u>	<u>(1,496,136)</u>	<u>(20,134)</u>	<u>(1,713,645)</u>
Net cash outflow from capital expenditure		(18,522)	(1,496,136)	(20,134)	(1,713,645)
Equity dividends paid		—	—	(178,312)	(15,176,134)
Increase in cash	18	<u>400,690</u>	<u>32,365,471</u>	<u>312,318</u>	<u>26,581,347</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31ST MARCH 2008

	2008	Unaudited 2008	2007	Unaudited 2007
	£	Rs.	£	Rs
Profit for the financial year	293,461	23,704,108	120,894	10,289,319
Currency translation of retained earning of overseas branches	(12,050)	(973,311)	—	—
Total recognised gains and losses relating to the financial year	281,411	22,730,797	120,894	10,289,319

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008

Supplementary information - Indian Rupee amounts

The financial statements of ITC Infotech Limited are prepared in accordance with accounting principles generally accepted in the United Kingdom, the country of incorporation, and are presented in GBP. The supplementary information requested by the parent company has been arrived at by applying the year end interbank exchange rate of GBP 1 = Rs. 80.77 (2007: GBP 1 = Rs. 85.11) as provided by the parent company. The supplementary information has not been audited and has not been prepared in accordance with SSAP 20, which governs the UK GAAP rules for currency conversion.

1. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008	Unaudited 2008	2007	Unaudited 2007
	£	Rs.	£	Rs
United Kingdom	12,101,754	977,511,633	11,798,893	1,004,203,799
India	2,094,361	169,170,714	1,086,961	92,511,242
US	620,375	50,110,381	1,879,839	159,993,079
Malaysia	70,908	5,727,556	93,787	7,982,195
Europe	2,960,689	239,147,793	1,948,457	165,833,167
Other	17,390	1,404,637	6,450	548,989
	<u>17,865,477</u>	<u>1,443,072,714</u>	<u>16,814,387</u>	<u>1,431,072,471</u>

2. Other operating charges

Administrative expenses	<u>4,625,258</u>	<u>373,602,318</u>	<u>3,740,981</u>	<u>318,394,881</u>
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3. Operating profit

Operating profit is stated after charging:

Depreciation of owned fixed assets	28,442	2,297,422	28,277	2,406,660
Auditor's remuneration:				
– audit fees	17,250	1,393,358	17,450	1,485,170
– non audit fees	6,370	514,533	3,038	258,522
Operating lease costs:				
Land and buildings	53,429	4,315,694	51,188	4,356,629
Plant and equipment	<u>1,440</u>	<u>116,323</u>	<u>1,255</u>	<u>106,796</u>

4. Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No.	No.
Staff	<u>123</u>	<u>116</u>

The aggregate payroll costs of the above were:

Wages and salaries	6,024,342	486,612,458	5,052,535	430,021,215
Social security costs	581,904	47,002,955	429,429	36,548,731
	<u>6,606,246</u>	<u>533,615,413</u>	<u>5,481,964</u>	<u>466,569,946</u>

Remuneration in respect of Directors was nil (2007: nil).

5. Interest receivable

Bank interest receivable	<u>45,931</u>	<u>3,710,024</u>	<u>23,779</u>	<u>2,023,796</u>
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	2008 £	Unaudited 2008 Rs	2007 £	Unaudited 2007 Rs
6. Taxation on ordinary activities				
(a) Analysis of charge in the year				
Current tax:				
In respect of the year:				
UK Corporation tax based on the results for the year at 30% (2007 - 30%)	147,011	11,874,721	86,350	7,349,248
Over / Under provision in prior year	—	—	2,230	189,754
Total current tax	147,011	11,874,721	88,580	7,539,002
Deferred tax:				
Origination and reversal of timing differences	1,781	143,859	4,029	342,908
Tax on profit on ordinary activities	148,792	12,018,580	92,609	7,881,910
(b) Factors affecting current tax charge				
The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2007 - 30%).				
Profit on ordinary activities before taxation	442,253	35,722,688	213,503	18,171,229
Profit on ordinary activities multiplied by rate of tax	132,676	10,716,807	64,051	5,451,368
Expenses not deductible for tax purposes	15,111	1,220,585	23,125	1,968,179
Movement in capital allowances	(776)	(62,671)	(826)	(70,299)
Adjustments to tax charge in respect of previous periods	—	—	2,230	189,754
Total current tax [note 6(a)]	147,011	11,874,721	88,580	7,539,002

7. Dividends**Dividends on shares classed as equity**

Paid during the year

Equity Dividends on ordinary shares

	—	—	178,312	15,176,134
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8. Tangible fixed assets

	Leasehold improvements £	Unaudited Leasehold improvements Rs	Fixtures and fittings £	Unaudited Fixtures and fittings Rs	Computer equipment £	Unaudited Computer equipment Rs	Total £	Unaudited Total Rs
Cost								
At 1st April 2007	31,104	2,512,406	47,581	3,843,326	135,525	10,946,947	214,210	17,302,679
Additions	—	—	649	52,456	17,873	1,443,680	18,522	1,496,136
Disposals	—	—	—	—	—	—	—	—
At 31st March 2008	31,104	2,512,406	48,230	3,895,782	153,398	12,390,627	232,732	18,798,815
Depreciation								
At 1st April 2007	27,996	2,261,359	36,366	2,937,441	106,117	8,576,381	170,539	13,775,181
Charge for the year	3,065	247,611	4,822	389,494	20,555	1,660,317	28,442	2,297,422
On disposals	—	—	—	—	—	—	—	—
At 31st March 2008	31,061	2,508,970	41,188	3,326,935	126,732	10,236,698	198,981	16,072,603
Net book value								
At 31st March 2008	43	3,436	7,042	568,847	26,666	2,153,929	33,751	2,726,212
At 31st March 2007	3,108	264,511	11,215	954,473	29,348	2,497,933	43,671	3,716,917

For simplicity, the brought forward Rupee amounts at 1st April 2007 have been translated at the 31 March 2008 exchange rate.

9. Debtors

	2008 £	Unaudited 2008 Rs	Restated 2007 £	Unaudited Restated 2007 Rs
Trade debtors	4,430,962	357,886,344	4,522,479	384,908,181
Amounts owed by group undertakings	6,090	491,956	124,782	10,620,227
Prepayments and accrued income	256,298	20,702,342	291,958	24,848,529
Corporation tax	—	—	57,471	4,891,335
	4,693,080	379,080,642	4,996,690	425,268,272

10. Deferred taxation

The Deferred tax included in the Balance sheet is as follows:

	2008 £	Unaudited 2008 Rs	2007 £	Unaudited 2007 Rs
Deferred tax asset	<u>14,190</u>	<u>1,146,221</u>	<u>15,971</u>	<u>1,359,292</u>
The movement in the deferred taxation account during the year was:				
Balance brought forward	15,971	1,290,080	20,000	1,702,200
Profit and loss account movement arising during the year	<u>(1,781)</u>	<u>(143,859)</u>	<u>(4,029)</u>	<u>(342,908)</u>
Balance carried forward	<u>14,190</u>	<u>1,146,221</u>	<u>15,971</u>	<u>1,359,292</u>
The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:				
Excess of depreciation over taxation allowances on fixed assets	<u>14,190</u>	<u>1,146,221</u>	<u>15,971</u>	<u>1,359,292</u>

11. Creditors: amounts falling due within one year

Trade creditors	918,476	74,189,305	861,316	73,306,594
Amounts owed to group undertakings	858,106	69,312,976	1,898,968	161,621,200
Corporation tax	10,257	828,521	—	—
Other taxation and social security	609,437	49,226,887	538,258	45,811,129
Other creditors	<u>1,381,264</u>	<u>111,570,783</u>	<u>464,009</u>	<u>39,491,824</u>
	<u>3,777,540</u>	<u>305,128,472</u>	<u>3,762,551</u>	<u>320,230,747</u>

12. Leasing commitments

At 31st March 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008				2007			
	Land & Buildings £	Unaudited Land & Buildings Rs	Other Items £	Unaudited Other Items Rs	Land & Buildings £	Unaudited Land & Buildings Rs	Other Items £	Unaudited Other Items Rs
Operating leases which expire:								
Within 1 year	1,991	160,790	—	—	—	—	—	—
Within 1 to 2 years	—	—	—	—	37,018	3,150,559	449	38,172
Within 2 to 5 years	—	—	3,890	314,233	—	—	—	—
	<u>1,991</u>	<u>160,790</u>	<u>3,890</u>	<u>314,233</u>	<u>37,018</u>	<u>3,150,559</u>	<u>449</u>	<u>38,172</u>

13. Capital commitments

There were no capital commitments at 31st March 2008 or 31st March 2007.

14. Contingent liabilities

There were no contingent liabilities at 31st March 2008 or 31st March 2007.

15. Share capital

	2008 £	Unaudited 2008 Rs	2007 £	Unaudited 2007 Rs		
Authorised share capital:						
1,629,700 Ordinary shares of £1 each	<u>1,629,700</u>	<u>131,637,999</u>	<u>1,629,700</u>	<u>138,703,767</u>		
Allotted, called up and fully paid:						
	2008 No	2008 £	2008 Rs	2007 No	2007 £	2007 Rs
Ordinary shares of £1 each	<u>685,815</u>	<u>685,815</u>	<u>55,396,278</u>	685,815	685,815	58,369,715
Equity shares						
Ordinary shares of £1 each	<u>685,815</u>	<u>685,815</u>	<u>55,396,278</u>	685,815	685,815	58,369,715

16. Profit and loss account

	£	Unaudited Rs
At 1st April, 2007	1,709,317	138,069,012
Profit for the financial year	293,461	23,704,108
Other recognised gains and losses	(12,050)	(973,311)
Equity dividends paid	—	—
At 31st March, 2008	<u>1,990,728</u>	<u>160,799,809</u>

For simplicity, the brought forward Rupee amounts at 1st April 2007 have been translated at the 31 March 2008 exchange rate.

	2008 £	Unaudited 2008 Rs	2007 £	Unaudited 2007 Rs
17. Reconciliation of movements in shareholders' funds				
Profit for the financial year	293,461	23,704,108	120,894	10,289,319
Other recognised gains and losses	(12,050)	(973,311)	—	—
Equity dividends paid	—	—	(178,312)	(15,176,134)
Net addition to shareholders' funds	281,411	22,730,797	(57,418)	(4,886,815)
Opening shareholders' funds	2,395,132	193,465,290	2,452,550	208,736,531
Closing shareholders' funds	2,676,543	216,196,087	2,395,132	203,849,716

For simplicity, the brought forward Rupee amounts at 1st April 2007 have been translated at the 31 March 2008 exchange rate.

18. Notes to the statement of cash flows

	2008 £	Unaudited 2008 Rs	2007 £	Unaudited 2007 Rs		
Reconciliation of operating profit to net cash inflow from operating activities						
Operating profit	396,322	32,012,664	189,724	16,147,433		
Other recognised gains and losses	(12,050)	(973,311)	—	—		
Depreciation	28,442	2,297,422	28,277	2,406,660		
Decrease in Debtors	35,119	2,836,686	(94,902)	(8,077,067)		
Increase in creditors	4,732	382,195	612,151	52,100,142		
Net cash inflow from operating activities	452,565	36,555,656	735,250	62,577,168		
Reconciliation of net cash flow to movement in net funds						
Increase in cash in the period	400,690	32,365,471	312,318	26,581,347		
Movement in net funds in the period	400,690	32,365,471	312,318	26,581,347		
Net funds at 1st April 2007	1,066,307	86,130,281	753,989	64,172,003		
Net funds at 31st March 2008	1,466,997	118,495,752	1,066,307	90,753,350		
Analysis of changes in net funds						
	At 1 April 2007 £	At 1 April 2007 Rs.	Cash flows £	Cash flows Rs.	At 31 March 2008 £	At 31 March 2008 Rs.
Net cash:						
Cash in hand and at bank	1,066,307	86,130,281	400,690	32,365,471	1,466,997	118,495,752
Net funds	1,066,307	86,130,281	400,690	32,365,471	1,466,997	118,495,752

For simplicity, the brought forward Rupee amounts at 1st April 2007 have been translated at the 31 March 2008 exchange rate.

19. Controlling related party

The immediate parent undertaking is ITC Infotech India Limited, which is incorporated in India and is a wholly owned subsidiary of ITC Limited. This is the smallest group of undertakings for which consolidated accounts are being drawn up including this company.

The ultimate parent undertaking and controlling related party is ITC Limited, which is incorporated in India. This is the largest group of undertakings for which consolidated accounts are being drawn up including this company.

As a wholly owned subsidiary of ITC Infotech India Limited, which is itself a wholly owned subsidiary of ITC Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by ITC Limited.