

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31st March 2014.

Key performance indicators

Year Ended March 31,	GBP (million)	
	2014	2013
Total Income	25.29	25.03
Cost of Sales	17.72	16.70
Gross Profit	7.57	8.32
Profit before Tax	1.57	2.49
Profit after Tax	1.18	1.86

Total income at GBP 25.29 million is marginally higher in comparison to the previous year. Profit before tax at GBP 1.57 million is lower in comparison with the previous year due to higher operating costs.

Business review

The UK and Continental European economies slowly emerged out of recession during 2013-14, with consumer confidence and market sentiment improving in the second half of the financial year. In particular, the Banking and Financial Services sector and the Oil and Gas business saw improved demand, and consequently investment appetite.

Your Company's long term strategy of investment in sales representation in Europe, as articulated last year, has enabled deeper market penetration across Europe and was instrumental in the Company winning a significant number of new clients during the year.

Total Income saw a marginal increase over previous year, largely due to the sharp decline in IT budgets in existing accounts during 2012-13 which continued to impact IT services spend in 2013-14. However the year under review ended with improved prospects in several large clients which, with the new set of clients acquired during the year, gives confidence going forward.

Partnerships with key Independent Software Vendors have shown good traction and the pipeline of business built through this channel is expected to develop further and faster in the coming year which, along with new partnerships under consideration, will be key factors for driving growth.

With enhanced sales capability, newly acquired marquee global organisations as clients, and existing accounts indicating a revival in IT investments, your Company looks forward to 2014-15 with confidence.

Principal Risks and Uncertainties

Despite the slow economic revival in Europe, there remains uncertainty on the economies of some of the countries which may impact projected growth. However, as indicated above, your Company follows a long term strategy of investment and is confident of effectively addressing challenges that may arise on the business development front.

With a growing demand for IT outsourcing and hence skilled resources, and the recent emergence for near shore development centres, there is a need to rapidly scale up onsite teams which brings with it the twin challenges of identifying and recruiting suitable talent within a short cycle time. Your Company has set up a recruitment team in UK to service the aggressive requirements of large clients.

Despite the challenges articulated, your Company is confident that it has the depth in talent and will be able to grow business in the extremely competitive environment.

Approved by the Board on 7th May, 2014 and signed on behalf of the Board by

ITC Infotech Limited
Norfolk House
118, Saxon Gate West
Milton Keynes
MK9 2DN

B. Sumant
Director

S. Sivakumar
Vice Chairman

DIRECTORS' REPORT

Your Directors present their Report together with the Audited Financial Statements for the year ended 31st March, 2014.

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

Principal activities

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

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 currency risk, credit risk and liquidity risk.

a) Market risk - currency risk

The Company is exposed to translation and transaction foreign exchange risks. While the Company makes payments, mostly in US dollars, to its major supplier(s),

17% (2013: 17%) of its sales in the year under review were in US dollars and 23% (2013: 20%) in Euro. The Company has bank accounts in multiple currencies and during the year under review it did not hold any hedging instruments. Foreign exchange management is, however, kept under regular review.

b) Credit risk

The Company's principal financial assets are cash and trade debtors. The Company's customers being mostly blue chip companies and the Company having no history of significant bad debts, the principal risk arising on trade debtors is not significant.

c) Liquidity risk

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

Dividend

Your Directors are pleased to recommend the interim dividend of GBP 3.00 (2013: GBP 3) per Ordinary share of GBP 1 each on 685,815 shares, aggregating GBP 2,057,445, declared by the Board of Directors on 20th February, 2014 (2013 : GBP 2,057,445) as the final dividend for the year ended 31st March, 2014.

Directors

Mr. S. Puri resigned as a Director of the Company with effect from close of business on 8th August, 2013. Your Board of Directors places on record its appreciation of the contribution made by Mr. Puri during his tenure as Director of the Company.

The Directors in office at the end of the year are listed below. All the Directors, except Mr. S.Puri, served on the Board throughout the year. The Directors did not have any interest in the shares of the Company as at 31st March, 2014 and 1st April, 2013 as indicated below:

2014 and 2013 Ordinary Shares

Y. C.Deveshwar	—
S.Sivakumar	—
B. B. Chatterjee	—
S. Puri (till 8th Aug 2013)	—
B.Sumant	—
R.Tandon	—

Mr. B. Sumant, Director, and Mr. B. B. Chatterjee, Director, will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

Statement of directors' responsibilities

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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible 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.

Based on a careful consideration of various facts and circumstances including, inter-alia, orders in hand and cash reserves, the Directors are of the opinion that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Independent Auditors

PricewaterhouseCoopers LLP, Auditors, offer themselves for re-appointment in accordance with the provisions of Section 485 of the Companies Act, 2006.

Approved by the Board on 7th May, 2014 and signed on behalf of the Board by

ITC Infotech Limited
Norfolk House
118, Saxon Gate West
Milton Keynes
MK9 2DN

B. Sumant
Director

S. Sivakumar
Vice Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ITC INFOTECH LIMITED**Report on the financial statements****Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by ITC Infotech Limited, comprise:

- Balance sheet as at 31 March 2014;
- Profit and loss account for the year then ended;
- Cash flow statement for the year then ended;

- Statement of total recognised gains and losses; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;

- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibility set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act, 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Mike Robinson (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Milton Keynes
9th May, 2014

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

	Note	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Turnover	2	25,291,506	2,523,207,096	25,027,180	2,057,922,444
Cost of sales		17,719,151	1,767,751,136	16,702,610	1,373,413,857
Gross profit		7,572,355	755,455,960	8,324,570	684,508,587
Other operating charges	3	6,006,665	599,254,901	5,843,814	480,522,216
Operating profit	4	1,565,690	156,201,059	2,480,756	203,986,371
Operating profit before foreign exchange loss		2,256,521	225,121,775	2,527,406	207,822,284
Foreign exchange loss		(690,831)	(68,920,716)	(46,650)	(3,835,913)
Interest receivable and similar income	6	5,446	543,333	6,630	545,169
Profit on ordinary activities before taxation		1,571,136	156,744,392	2,487,386	204,531,540
Tax on profit on ordinary activities	7	386,164	38,525,652	627,370	51,587,067
Profit for the financial year		1,184,972	118,218,740	1,860,016	152,944,473

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

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical costs equivalents

The accompanying accounting policies and notes form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH, 2014

	Note	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Fixed assets					
Tangible assets	8	28,872	2,880,415	33,825	2,781,345
Current assets					
Debtors	9	7,153,481	713,667,032	8,667,429	712,701,042
Cash at bank and in hand		1,698,040	169,404,961	1,499,970	123,338,783
		8,851,521	883,071,993	10,167,399	836,039,825
Creditors: amounts falling due within one year	11	2,307,270	230,184,787	2,843,176	233,787,274
Provision for liabilities	10	1,220	121,713	1,915	157,466
		2,308,490	230,306,500	2,845,091	233,944,740
Net current assets		6,543,031	652,765,493	7,322,308	602,095,085
Total assets less current liabilities		6,571,903	655,645,908	7,356,133	604,876,430
Capital and reserves					
Called up equity share capital	15	685,815	68,420,333	685,815	56,392,853
Profit and loss account	17	5,886,088	587,225,575	6,670,318	548,483,577
Total shareholders' funds	18	6,571,903	655,645,908	7,356,133	604,876,430

These financial statements were approved by the directors on 7th May, 2014 and are signed on their behalf by:

HS Garewal
President

G Bindal
Financial Controller

B. Sumant
Director

S. Sivakumar
Vice Chairman

The accompanying accounting policies and notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	Note	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Net cash inflow/ (outflow) from operating activities	19	2,613,684	260,754,208	(527,443)	(43,370,292)
Returns on investments and servicing of finance					
Interest received		3,513	350,474	2,667	219,301
Net cash inflow from returns on investments and servicing of finance		3,513	350,474	2,667	219,301
Taxation		(353,327)	(35,249,708)	(873,055)	(71,789,155)
Capital expenditure					
Payments to acquire tangible fixed assets		(8,355)	(833,537)	(28,731)	(2,362,478)
Net cash outflow from capital expenditure		(8,355)	(833,537)	(28,731)	(2,362,478)
Equity dividends paid to shareholders	16	(2,057,445)	(205,260,983)	(2,057,445)	(169,178,562)
Increase / (decrease) in cash	19	198,070	19,760,454	(3,484,007)	(286,481,186)

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Profit for the financial year	1,184,972	118,218,740	1,860,016	152,944,473
Currency translation (loss) / gain of retained earnings of overseas branches	88,243	8,803,543	13,305	1,094,037
Total recognised gains and losses relating to the financial year	1,273,215	127,022,283	1,873,321	154,038,510

NOTES TO THE FINANCIAL STATEMENTS

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 (comprising the pro-forma financial information disclosed in Indian Rupees) requested by the parent company has been arrived at by applying the year end interbank exchange rate of GBP 1 = ₹ 99.765 (2013: GBP 1 = ₹ 82.23) as provided by the parent company. The supplementary information has not been audited.

1. Principal accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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 received / 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 services performed on a "time bound fixed price" basis is recognised as income using the percentage of completion method of accounting, if work completed can be reasonably estimated.

Turnover from trading in software packages / licenses / hardware is recognised as income upon delivery to the customer.

An amount received or billed in advance of services performed is recognised as unearned revenue. Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

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 except that gains and losses arising from the retranslation of the opening retained earnings in overseas branches are adjusted against the reserves.

Recruitment costs

Legal costs and other charges incurred to obtain visas and other required immigration papers for recruits, recruitment fees and relocation costs are charged to the Profit & Loss Account when such costs are incurred.

2. Turnover

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

An analysis of turnover is given below:

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
United Kingdom	16,186,032	1,614,799,482	16,176,782	1,330,176,373
India	6,001,603	598,749,923	5,718,362	470,206,575
US	318,843	31,809,372	868,454	71,410,778
Singapore	129,631	12,932,637	216,266	17,783,049
Europe	2,263,679	225,835,936	1,973,189	162,250,366
Other	391,718	39,079,746	74,127	6,095,303
	<u>25,291,506</u>	<u>2,523,207,096</u>	<u>25,027,180</u>	<u>2,057,922,444</u>

3. Other operating charges

Administrative expenses	6,006,665	599,254,901	5,843,814	480,522,216
	<u>6,006,665</u>	<u>599,254,901</u>	<u>5,843,814</u>	<u>480,522,216</u>

4. Operating profit

Operating profit is stated after charging:

Depreciation of owned fixed assets	13,308	1,327,672	16,513	1,357,823
Auditor's remuneration:				
- audit fees	22,100	2,204,807	21,000	1,726,778
- non audit fees - taxation and other services	—	—	—	—
Loss / (gain) on foreign exchange	690,831	68,920,716	46,650	3,835,913
Operating lease costs:				
Land and buildings	53,717	5,359,077	51,651	4,247,133
Plant and equipment	1,732	172,793	1,809	148,750
	<u>1,732</u>	<u>172,793</u>	<u>1,809</u>	<u>148,750</u>

5. Directors and employees

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

	2014 No.	2013 No.
By Activity		
Delivery	167	192
Marketing	22	25
Administration	5	4
	<u>194</u>	<u>221</u>

The aggregate payroll costs of the above were:

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Wages and salaries	9,386,295	936,423,712	10,108,705	831,213,540
Social security costs	1,023,014	102,061,038	927,598	76,274,065
	<u>10,409,309</u>	<u>1,038,484,750</u>	<u>11,036,303</u>	<u>907,487,605</u>

Remuneration in respect of directors was nil (2013: £nil).

6. Interest receivable & similar income

Bank interest receivable	3,513	350,474	2,667	219,301
Other miscellaneous income	1,933	192,859	3,963	325,868
	<u>5,446</u>	<u>543,333</u>	<u>6,630</u>	<u>545,169</u>

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
7. Tax on profit on ordinary activities				
(a) Analysis of charge in the year				
Current tax:				
- UK Corporation tax on profits of the year	323,257	32,249,735	441,076	36,268,577
- Adjustment in respect of previous years	63,602	6,345,254	181,847	14,952,824
Total current tax	<u>386,859</u>	<u>38,594,989</u>	622,923	51,221,401
Deferred tax:				
Origination and reversal of timing differences	(695)	(69,337)	4,447	365,666
Tax on profit on ordinary activities	<u>386,164</u>	<u>38,525,652</u>	<u>627,370</u>	<u>51,587,067</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2013: higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Profit on ordinary activities before taxation	1,571,136	156,744,392	2,487,386	204,531,540
Profit on ordinary activities multiplied by rate of tax	361,262	36,041,304	596,936	49,084,557
Expenses not deductible for tax purposes	26,663	2,660,034	18,952	1,558,374
Movement in capital allowances	(25)	(2,494)	(4,483)	(368,626)
Adjustments to tax charge in respect of previous years	(1,041)	(103,855)	11,518	947,096
Total current tax (note 7[a])	<u>386,859</u>	<u>38,594,989</u>	<u>622,923</u>	<u>51,221,401</u>

The standard rate of UK corporation tax changed from 24% to 23% with effect from 01 April 2013. Accordingly the company's profits for this accounting year are taxed at 23%.

The standard rate of UK corporation tax will change to 21% from 01 April 2014 and 20% from 01 April 2015. UK deferred tax is therefore recognised at the reduced rate of 21%

8. Tangible fixed assets

	Leasehold improvements £	Unaudited Leasehold improvements ₹	Fixtures and fittings £	Unaudited Fixtures and fittings ₹	Computer equipment £	Unaudited Computer equipment ₹	Total £	Unaudited Total ₹
Cost								
At 1 April 2013	52,300	5,217,710	60,737	6,059,427	208,817	20,832,628	321,854	32,109,765
Additions	—	—	—	—	8,355	833,537	8,355	833,537
At 31 March 2014	<u>52,300</u>	<u>5,217,710</u>	<u>60,737</u>	<u>6,059,427</u>	<u>217,172</u>	<u>21,666,165</u>	<u>330,209</u>	<u>32,943,302</u>
Depreciation								
At 1 April 2013	50,388	5,026,959	59,178	5,903,893	178,463	17,804,363	288,029	28,735,215
Charge for the year	1,161	115,827	353	35,217	11,794	1,176,628	13,308	1,327,672
At 31 March 2014	<u>51,549</u>	<u>5,142,786</u>	<u>59,531</u>	<u>5,939,110</u>	<u>190,257</u>	<u>18,980,991</u>	<u>301,337</u>	<u>30,062,887</u>
Net book value								
At 31 March 2014	751	74,924	1,206	120,317	26,915	2,685,174	28,872	2,880,415
At 31 March 2013	1,912	190,751	1,559	155,534	30,354	3,028,265	33,825	3,374,550

For simplicity, the brought forward Rupee amounts at 1 April 2013 have been translated at the 31 March 2014 exchange rate.

9. Debtors

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Trade debtors	4,288,685	427,860,659	4,196,770	345,089,930
Amounts owed by group undertakings	2,740,085	273,364,580	4,323,536	355,513,556
Other debtors	42,221	4,212,178	16,436	1,351,491
Prepayments and accrued income	82,490	8,229,615	130,687	10,746,065
	<u>7,153,481</u>	<u>713,667,032</u>	<u>8,667,429</u>	<u>712,701,042</u>

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
10. Provision for liabilities				
Deferred taxation				
The deferred tax included in the Balance sheet is as follows:				
Deferred tax (liability) / asset	(1,220)	(121,713)	(1,915)	(157,466)
The movement in the deferred taxation account during the year was:				
Balance brought forward	(1,915)	(191,050)	2,532	208,200
Profit and loss account movement arising during the year	695	69,337	(4,447)	(365,666)
Balance carried forward	(1,220)	(121,713)	(1,915)	(157,466)
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	(1,220)	(121,713)	(1,915)	(157,466)
For simplicity, the brought forward Rupee amounts at 1 April 2013 have been translated at the 31 March 2014 exchange rate.				

11. Creditors: amounts falling due within one year

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Trade creditors	384,112	38,320,912	420,441	34,571,812
Corporation tax	122,494	12,220,614	88,963	7,315,205
Other taxation and social security	162,200	16,181,883	387,337	31,849,753
Other creditors	1,638,464	163,461,378	1,946,435	160,050,504
	<u>2,307,270</u>	<u>230,184,787</u>	<u>2,843,176</u>	<u>233,787,274</u>

12. Leasing commitments

At 31 March, 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014				2013			
	Land & Buildings £	Unaudited Land & Buildings ₹	Other Items £	Unaudited Other Items ₹	Land & Buildings £	Unaudited Land & Buildings ₹	Other Items £	Unaudited Other Items ₹
Operating leases which expire:								
Within 1 year	53,717	5,359,077	—	—	62,878	5,170,301	—	—
Within 1 to 2 years	—	—	991	98,867	—	—	—	—
Within 2 to 5 years	—	—	741	73,926	—	—	1,809	148,750
	<u>53,717</u>	<u>5,359,077</u>	<u>1,732</u>	<u>172,793</u>	<u>62,878</u>	<u>5,170,301</u>	<u>1,809</u>	<u>148,750</u>

13. Capital commitments

There were no capital commitments at 31 March 2014 or 31 March 2013.

14. Contingent liabilities

There were no contingent liabilities at 31 March 2014 or 31 March 2013.

15. Called up Share capital

Authorised share capital:

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
1,629,700 (2013: 1,629,700) Ordinary shares of £1 each	1,629,700	162,587,021	1,629,700	134,006,157
Allotted, called up and fully paid:				

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	685,815	685,815	685,815	685,815
		68,420,333		56,392,853

16. Dividends

	2014 £	Unaudited 2014 ₹	2013 £	Unaudited 2013 ₹
Equity - Ordinary				
Interim paid: £3.00 (2013: 3) per £1 share	2,057,445	205,260,983	2,057,445	169,178,562
	<u>2,057,445</u>	<u>205,260,983</u>	<u>2,057,445</u>	<u>169,178,562</u>

17. Profit and loss account

	£	₹
At 1 April 2013	6,670,318	665,464,275
Profit for the financial year	1,184,972	118,218,740
Other recognised losses and gains	88,243	8,803,543
Dividends	<u>(2,057,445)</u>	<u>(205,260,983)</u>
At 31 March 2014	<u>5,886,088</u>	<u>587,225,575</u>

For simplicity, the brought forward Rupee amounts at 1 April 2013 have been translated at the 31 March 2014 exchange rate.

18. Reconciliation of movements in shareholders' funds

	2014	Unaudited 2014	2013	Unaudited 2013
	£	₹	£	₹
Profit for the financial year	1,184,972	118,218,740	1,860,016	152,944,473
Other recognised losses and gains	<u>88,243</u>	<u>8,803,543</u>	13,305	1,094,037
Net addition to shareholders' funds	1,273,215	127,022,283	1,873,321	154,038,510
Opening shareholders' funds	7,356,133	733,884,608	7,540,257	620,016,482
Dividends	<u>(2,057,445)</u>	<u>(205,260,983)</u>	<u>(2,057,445)</u>	<u>(169,178,562)</u>
Closing shareholders' funds	<u>6,571,903</u>	<u>655,645,908</u>	<u>7,356,133</u>	<u>604,876,430</u>

For simplicity, the brought forward Rupee amounts at 1 April 2013 have been translated at the 31 March 2014 exchange rate.

19. Notes to the statement of cash flows

	2014	Unaudited 2014	2013	Unaudited 2013
	£	₹	£	₹
Reconciliation of operating profit to net cash inflow/ (outflow) from operating activities				
Operating profit	1,565,690	156,201,059	2,480,756	203,986,371
Foreign exchange movement	88,243	8,803,543	13,305	1,094,037
Depreciation	13,308	1,327,672	16,513	1,357,823
Miscellaneous Income	1,933	192,859	3,963	325,868
Decrease / (Increase) in debtors	1,513,947	151,038,962	(2,609,344)	(214,559,834)
(Decrease) / Increase in creditors	<u>(569,437)</u>	<u>(56,809,887)</u>	<u>(432,636)</u>	<u>(35,574,557)</u>
Net cash inflow / (outflow) from operating activities	<u>2,613,684</u>	<u>260,754,208</u>	<u>(527,443)</u>	<u>(43,370,292)</u>
Reconciliation of net cash flow to movement in net funds				
Increase / (decrease) in cash in the year	<u>198,070</u>	<u>19,760,454</u>	<u>(3,484,007)</u>	<u>(286,481,186)</u>
Movement in net funds in the year	198,070	19,760,454	(3,484,007)	(286,481,186)
Net funds at 1 April 2013	1,499,970	149,644,507	4,983,977	409,819,969
Net funds at 31 March 2014	<u>1,698,040</u>	<u>169,404,961</u>	<u>1,499,970</u>	<u>123,338,783</u>
Analysis of changes in net funds				

	At 1 April 2013	At 1 April 2013	Cash flows	Cash flows	At 31 March 2014	At 31 March 2014
	£	₹	£	₹	£	₹
Net cash:						
Cash in hand and at bank	1,499,970	149,644,507	198,070	19,760,454	1,698,040	169,404,961
Net funds	<u>1,499,970</u>	<u>149,644,507</u>	<u>198,070</u>	<u>19,760,454</u>	<u>1,698,040</u>	<u>169,404,961</u>

For simplicity, the brought forward Rupee amounts at 1 April 2013 have been translated at the 31 March 2014 exchange rate.

20. 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 financial statements 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 financial statements are being drawn up including this company. Copies of ITC Limited consolidated financial statements can be obtained from the Company Secretary at 37 J. L. Nehru Road, Kolkata - 700071, India.

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.