



Looking beyond the obvious!

14th Annual Report 2013-2014



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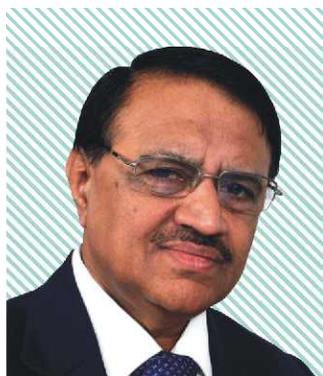
Quality Policy

We are committed to achieve business excellence by delivering timely and cost effective solutions and services to our clients and continuously strive towards improvement of our processes. We are committed to develop a motivated workforce with a sense of pride in the organization which will work towards being the best in the industry.

Date: September 09, 2013

Inderpal S. Kalra
Managing Director & CEO

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Shri M. S. Raghavan
Chairman



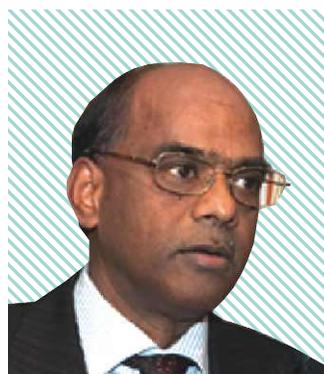
Shri B. K. Batra
Director



Prof. Bastiram H. Jajoo
Director



Dr. N. L. Sarda
Director



Shri B. Sambamurthy
Director



Shri Inderpal Singh Kalra
Managing Director & CEO

Audit Committee

Shri B. Sambamurthy
Shri B. K. Batra
Dr. N. L. Sarda
Shri Inderpal Singh Kalra

Auditors

Lakhani & Lakhani
Chartered Accountants
B-2, 3rd Floor, Ashar IT Park, Road No. 16/Z, Wagle Estate,
Ambika Nagar, Thane (W) 400 604.

Company Secretary

Shri. Ritesh Kumar Jain

Banker

IDBI Bank Ltd. Mumbai

Registered Office

IDBI Intech Ltd.,
IDBI Bank Building, Plot No. 39-41,
Sector 11, CBD Belapur, Navi Mumbai 400614.



Dear Shareholders,

It is my privilege to present to you the 14th Annual Report of your Company for the Financial Year ended March 31, 2014. The company has recorded total income of ₹ 7,871.37 lacs and Profit of ₹ 68.19 lacs for the year which is lower than the previous year on account of closure of OBST vertical, keeping in line with strategy to sharpen our focus on core competencies.

Besides providing all the regular technology support to IDBI Bank, your company has also been instrumental in providing innovative products to the Bank. IDBI Bank has been recognised as leader in technology and achieved the most popular awards i.e. 'FINNOVITI' award for the 'IDBI Samridhi portal', Skoch Corporate Leadership & Corporate Citizenship Awards 2013 for Electronic Secure Bank and Treasury Receipt e-SBTR and IBA - Banking Technology Awards 2012-13 in five segments viz. 1st Runner-up Award for Best Technology Bank and Best Payment Initiative Bank and Second Runner-up awards for Best Internet Bank, Best Use of Business Intelligence and Best Risk Management & Security Initiatives. Such acclaims are not only the recognition of the talent pool of your company but have also enhanced the brand value of your company in the BFSI sector. The year has also seen a range of key IT initiatives undertaken by IDBI Bank and your company has played the valuable role in taking forward all such initiatives viz Enterprise Data Warehouse, Business Intelligence Tools, Risk based Transaction monitoring & Fraud Risk monitoring, Near DR site setup, Data Center Virtualization, Bio-metric Single Sign-on, MPLS, e-lobby, Self service Passbook Printing Terminals, Loan Processing System, Document Management System etc.

Your company recognises that the BFSI Sector is undergoing an IT enabled business transformation on the run. The IT solutions,

while remaining focused on Security measures and Regulatory Compliances, has to continuously provide the capability to handle higher volumes, enable Customer driven transactions, reduce TAT and transaction costs and extend products & services to Customers going beyond geographies and time barriers through choice of delivery channels. IT enablement will pave the way for experiential banking, adding wow factor to customer experience at branches, e-lobby and other channels. On the other end of the spectrum, the thrust on Financial Inclusion riding on technology solutions can not be under emphasised. Keeping these objectives in mind, your company has been prompt in aligning its strategies to meet the known & unknown challenges.

In international arena, your company has also marked its presence and has received acclaim through its flagship products like i@Connect, i-AML etc. Keeping in mind the changing requirements the products are constantly upgraded to stay ahead.

Your company has the pool of talented and experienced resources who work with dedication and zeal to take this organisation to greater heights by delivering complex projects in time. I would like to compliment them for their contribution.

I would like to express my sincere gratitude to our Board of Directors for their unstinting support and guidance. I am also grateful to our stakeholders, customers, vendors and employees, who have reposed their trust in us and given their constant support.

Sd/-
 Inderpal S. Kalra
 Managing Director & CEO

NOTICE is hereby given that the Fourteenth Annual General Meeting of IDBI Intech Limited will be held on Friday, June 27, 2014 at 3.00 pm at the Registered Office of the Company at IDBI Building, Plot No. 39-41, Sector 11, CBD Belapur, Navi Mumbai 400614 to transact the following business:

Ordinary Business:

- 1) To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account of the Company for the year ended on March 31, 2014 and reports of Directors' and Auditor's thereon.
- 2) The Board of Directors have not recommended dividend for the financial year 2013-14.
- 3) To appoint Director in place of Shri B. K. Batra, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Statutory Auditors, subject to the directions of Comptroller and Auditor General of India and fix their remuneration.

Special Business:

5. To appoint Shri B. Sambamurthy as Independent Director for 3 years.

To consider and if thought fit to pass, with or without modification/s, the Following resolution:

"RESOLVED THAT pursuant to provision of section 149 and 152 and other applicable provisions of Companies Act 2013, Shri B. Sambamurthy, Independent Director on the Board and who has necessary qualification, be and is hereby appointed as an Independent Director of the Company for term of 3 years."

6. To appoint Dr. N. L. Sarda as Independent Director for 3 years.

To consider and if thought fit to pass, with or without modification/s, the Following resolution.

RESOLVED THAT pursuant to provision of section 149 and 152 and other applicable provisions of Companies Act 2013, Dr. N. L. Sarda, Independent Director on the Board and who has necessary qualification, be and is hereby appointed as an Independent Director of the Company for term of 3 years.

7. To appoint Prof B. H. Jajoo as Independent Director for 3 years.

To consider and if thought fit to pass, with or without modification/s, the Following resolution:

"RESOLVED THAT pursuant to provision of section 149 and 152 and other applicable provisions of Companies Act 2013, Prof. Bastiram Hariram Jajoo, Independent Director on the Board and who has necessary qualification, be and is hereby appointed as an Independent Director of the Company for term of 3 years.

Place: Navi Mumbai
Date: April 16, 2014

By order of the Board of Directors,
For IDBI Intech Limited
Sd/-
Ritesh Kumar Jain
Company Secretary

Notes

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY OR THE POWER OF ATTORNEY, IF ANY, UNDER WHICH IT IS SIGNED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING AS PROVIDED BY ARTICLE 113 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.
- 2) Pursuant to Section 102(1) of the Companies Act, 2013 Explanatory Statement in respect of the business mentioned under item no. 4, 5, 6 & 7 is annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed on June 27, 2014 for the purpose of payment of dividend, if declared at the Annual General Meeting.

Place: Navi Mumbai
Date: April 16, 2014

By order of the Board of Directors,
for IDBI Intech Limited
Sd/-
Ritesh Kumar Jain
Company Secretary

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 4

To appoint Statutory Auditors, subject to the directions of Comptroller and Auditor General of India and fix their remuneration

Pursuant to Section 139(5) & other applicable sections of Companies act, 2013, the Auditor's of the Govt. Company are to be appointed or reappointed by the Comptroller and Auditor General of India (CAG) and in terms of Section 142 of the Companies act, 2013, their remuneration has to be fixed by the Company in AGM.

The Statutory Auditor of the Company for the year 2014-15 will be appointed by C & AG of India and the members may authorise the Board of Directors to appoint the Statutory Auditors as per direction of CAG and also fix an appropriate Remuneration of Auditors as may be deem fit by the Board.

Item No. 5

To appoint Shri B. Sambamurthy as Independent Director for term of 3 years

Shri B. Sambamurthy was appointed as director on the Board by the shareholders on July 4, 2012 at its Annual General Meeting. As per the new provision of the Companies Act 2013, which states that, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and not liable to retire by rotation. In view of this we propose to Members to fix the term of 3 years for Shri B. Sambamurthy as an Independent Director in compliance with section 149 of Companies Act 2013. Shri B. Sambamurthy has provided the declaration of independence as prescribed under section 149(5) of Companies Act 2013. The Board of directors has evaluated the profile of Shri B. Sambamurthy and found suitable for the position of Independent Director. The Brief profile of Shri B. Sambamurthy is placed below for reference of Members.

None of the Director, except, Shri B. Sambamurthy is in any way concerned or interested in the Resolution

Brief Profile:

Shri B. Sambamurthy took over as Director, Institute for Development and Research in Banking Technology, on November 12, 2008. Prior to taking over as Director; Shri Sambamurthy held the position of Chairman and Managing Director of Corporation Bank. He was also the Executive Director of Indian Bank and Non-Executive Chairman of Indian Bank Housing and Capital Market Subsidiaries.

Shri Sambamurthy, a Chartered Accountant, has over three decades of experience in Banking, starting his career with the Syndicate Bank in 1976. During his career, he has handled various functions such as Treasury, International Banking, Human Resources, Risk Management, Information Technology and Bancassurance. He handled the Bank's London Branch and the prestigious Mumbai Zone.

He has also held various positions including Secretary of Indian Banks' Association, U. K. Chapter at London; Vice-Chairman of Foreign Exchange Dealers Association of India; Chief Examiner of Indian Institute of Bankers; Member of RBI Committees like Export Advisory Committee, Standing Committee on Forex Clearing and Committee on reporting system, etc.

Shri Sambamurthy is presently holding position as director in IDRBT, National Payment Corporation of India (NPCI), Data Security Council of India (DSCI) and Society of electronic transactions and Security (SETS). He is Governing Council Member of Indian Institute of Banking & Finance and Insurance Information Bureau of India.

Shri Sambamurthy is known for his working framework of 3 Ps People, Product and Process, using which he has put all the organizations, he has worked with on a high growth trajectory.

Item No. 6

To appoint Dr. N. L. Sarda as Independent Director for term of 3 years

Dr. N. L. Sarda was appointed as director by the shareholders on September 05, 2011 at their Annual General Meeting. As per the new provision of the Companies Act 2013, which states that an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and not liable to retire by rotation. In view of this we propose to Members to fix the term of 3 years for N. L. Sarda as an Independent Director in compliance with section 149 of Companies Act 2013. Shri Sarda has provided the declaration of independence as prescribed under section 149(5) of Companies Act 2013. The Board of directors has evaluated the profile of Shri Sarda and found suitable for the position of Independent Director. The Brief profile of Shri N. L. Sarda is placed below for reference of Members.

None of the Director, except, Dr. N. L. Sarda is in any way concerned or interested in the Resolution.

Brief Profile:

Dr. Nandlal L. Sarda is a Professor in the Department of Computer Science and Engineering at IIT Mumbai (Bombay). He was a Visiting Associate Professor at University of New Brunswick, Canada from 1986 to 88. He was Head of the Computer Science & Engineering Department at IIT Bombay from 1994 to 1997. He was Head of Shailesh J. Mehta School of Management from Aug. 2006 till Feb. 2007. His main research interests are in the areas of Database Systems and Software Engineering. He has published widely in international journals and conferences. He has participated in many conferences in the capacity of Programme Committee member, invited speaker, etc. He was the Programme Co-chair of VLDB'96, a premier international database conference, which was held in Bombay.

Dr. N. L. Sarda is presently holding the position as director in Clearing Corporation of India, Andhra Bank, Cybertech Systems and Software Ltd., Bankers Quotient Academy

Item No. 7**To appoint Prof. B. H. Jajoo as Independent Director for term of 3 years**

Prof. B. H. Jajoo was appointed as director by the shareholders on July 21, 2008 at their Annual General Meeting. As per the new provision of the Companies Act 2013, which states that an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and not liable to retire by rotation. In view of this we propose to Members to fix the term of 3 years for Prof B. H. Jajoo as an Independent Director in compliance with section 149 of Companies Act 2013. Shri Jajoo has provided the declaration of independence as prescribed under section 149(5) of Companies Act 2013. The Board of directors has evaluated the profile of Prof Jajoo and found suitable for the position of Independent Director. The Brief profile of Shri Jajoo is placed below for reference of Members.

None of the Director, except, Shri B. H. Jajoo is in any way concerned or interested in the Resolution.

Brief Profile:

Professor B. H. Jajoo is Professor Chairperson of Computers and Information Systems Group, at Indian Institute of Management, Ahmedabad. He has rich experience in the areas of Computer Networks; Internet and E-Commerce technologies etc. He was visiting professor in the Department of Computer Science at University of Delaware, USA, from 1987 to 1989. He has been instrumental in setting up Center for Entrepreneurship in IT at Ahmedabad Management Association. He has played a role of Chief architect in designing and implementing large campus wide Internet having more than 1,000 nodes and based on Gigabit Ethernet and fiber optics technologies for IIM Ahmedabad. He has provided extensive consulting services on IT strategy, Design and Implementation of Computer Networks, Technology Comparison and Evaluation of IT Infrastructure to many corporate and organisation.

Prof B. H. Jajoo is presently holding the position as director in Gujarat Foundation for Entrepreneurial Excellence and he has already served as director on the Board of CIIE Initiatives and Gujarat Informatics Ltd.

By order of the Board of Directors,
For, IDBI Intech Limited

Sd/-

Ritesh Kumar Jain
Company Secretary

Place: Navi Mumbai
Date: April 16, 2014



To,
The Members of IDBI Intech Limited

Your Directors are pleased to present the 14th Annual Report on the business and operations of your Company together with the audited accounts for the year ended March 31, 2014.

Financial Results: The financials of the company for the year ended March 31, 2014 with comparative figures for the previous year are given below:

As at Year end	Amount (₹ in Lakhs)	
	2013-14	2012-13
Income from operations	7,819.04	18,437.09
Other Income	52.33	20.91
Total Income	7,871.37	18,458.00
Expenditure	7,481.47	17,920.17
Profit / (Loss) before Depreciation, Interest and Tax	389.90	537.83
Less: Depreciation	101.09	104.43
Profit / (Loss) before Interest and Tax	288.81	433.40
Less: Financial Charges	0.46	0.47
Profit / (Loss) Before Extraordinary Items & Tax	288.35	432.93
Less: Loss on sale of Fixed Assets & Fixed Assets w/o	61.79	0.63
Less: Provision for Taxation	205.75	161.05
Add : Deferred Tax Income / (Expenditure)	22.90	0.65
Add : MAT Credit Entitlement	24.47	26.85
Profit / (Loss) After Tax	68.18	298.75
Add: Prior Period Income / (Expenditure) (Net)	0.01	(0.63)
Profit / (Loss) for the Year	68.19	298.12

Business Performance:

Intech provides the entire spectrum of IT services for IDBI Bank and its Group Companies. To leverage on its competencies, it also caters to niche external business. The largest resource deployment however remains towards IDBI Bank's IT needs. During the FY 2013-2014, Intech has successfully implemented 222 projects of various sizes to complement the Bank's objectives viz. improvement in operational efficiency, reduction of cost, increasing reach to customers and providing them better services through IT Enabled Services through various alternate delivery channels.

The key initiatives taken by Intech for IDBI Bank during the last financial year ended 31st March 2014 are as follows:

1) Green Initiatives:

Intech has been proactively working to promote paperless banking and has been identifying areas where the existing internal and customer related processes are moved on electronic mode. Email of TDS Certificates to Customers and Certificate of Deposit with digital signature, Electronic Record Checking System for branches to check daily transactions, Miscellaneous Approval Management System which handles end to end process from creation of proposal to its approval, Credit Committee Meeting Portal whereby Bank's internal meeting can be scheduled, Agenda circulated and Proposals / documents circulated in electronic form and observations noted in electronic form, Sending daily statement of Customer account i.e. MT 940 to customers SWIFT Code (BIC) by auto email mode which is first of its kind, are few noteworthy initiatives.

2) Straight Through Process:

With the increasing transaction volumes, there is a need to reduce workload and manual intervention, reduce the TAT and transaction cost. Straight Through Process is the answer for resolving such issues. Intech has been exploring such possibilities and has been providing solutions such as Bulk RTGS for handling bulk remittances to multiple beneficiaries, Corporate Payment System for Co-operative Banks to facilitate NEFT / RTGS remittances for their customers, Payment system application for National Automated Clearing House (NACH) for handling debit request files received from National Payment Corporation of India (NPCI), straight through process for Aadhar Payment Bridge System (ABPS) etc. are few examples that can be cited.

3) Improving Visibility:

With a view to improve Bank's visibility on internet website, the search engine optimisation has been done to ensure that IDBI Bank gets highlighted on priority. Further the Bank's web site has also been revamped to give a better look and feel and made more users friendly. A section is also added for Pensioners on Bank's website for retired employees of IDBI Bank.

4) Infrastructure and IT Platform:

SWIFT Alliance DC-DR Synchronisation, Infrastructure up-

gradation by way of acquiring additional servers, increasing storage facility, tape library, Migration of Finacle 7.0.18 to 7.0.25 and creating a platform for further up-gradation to Finacle 10.x are the proactive initiatives which would augment further business growth for the Bank.

5) Innovative Products:

Capitalizing on the creative bend of mind that our resources have, Intech also comes out with innovative products. Corporate Payment System, which is a web based application and opens up the doors for co-operative Banks to provide NEFT / RTGS remittance facility to their customers, is one such initiative. So far 100 Co-operative Banks have enrolled to avail this facility. It has also been made as a straight through process which eliminates human error. Yet another innovative and first of its kind product that has also won Skoch Corporate Leadership & Corporate Citizenship Award 2013 was Electronic Secure Bank & Treasury Receipt (eSBTR) which handles payment of Registration fees, Stamp Duty and other service charges for Maharashtra State Government and also provides a valid Treasury Receipt evidencing payment of duty / charges.

6) Tax collection:

As a step to facilitate the Government's and Local bodies revenue collections on-line in the form of VAT / CST / Commercial Taxes / Property Tax or Land Revenue etc. for various states, during FY 2013-2014, Intech has provided facilities for Delhi Jal Board, Delhi Commercial Tax collection, VAT and CST collections for Tamil Nadu State, Utharakhand and West Bengal and Dadra Nagar Haweli. Bank could garner Rs. 2 lacs crores of Tax collection during the financial year 2013-14. Majority of the Tax collection is through custom modules developed in-house by Intech in Internet Banking.

7) Promoting use of Official Language Hindi:

To comply with the guidelines of Home Ministry to increase use of Hindi in internal work, Intech has installed Unicode on all the Desktops of branches and offices of IDBI Bank which can enable them to write letters and mails in Hindi. Intech has also provided Multi Lingual Screens at ATMs. Apart from English and Regional language, screens are also provided in Hindi to make them more users friendly.

8) Financial Inclusion:

To promote Financial Inclusion (FI), providing door step services to the customers through Customer Service Providers / Business Correspondent (BC) who carry a micro ATM (POS terminal) with them to provide services like cash deposit / withdrawal, balance inquiry etc., was introduced. However, inter operability between various BCs etc. was still not possible. With introduction of Aadhar Enabled Payment System (AEPS) this gap has been bridged.

FI Gateway has also been provided as a centralised switch for all FI transactions with Central Authentication System, to perform AEPS transactions.

Linking Aadhar Card Number to Bank account is necessary for receiving direct benefits of Government Subsidy / other payments. To handle requests received through any channel like ATM, Internet Banking and SMS for linking Aadhar Number to Bank's account, a product Remote Aadhar Seeding Framework (RASf), has been provided by Intech.

Web page portal has also been developed and provided by Intech to record the visit reports by base branch officials for their visits to villages under financial inclusion attached to that branch.

To augment direct credit of daily wages to beneficiary's bank account, under MNEREGA (Mahatma Gandhi National Rural Employment Guarantee) Scheme, an initiative of Ministry of Rural Development, Intech has developed a solution Electronic Financial Messaging Service (eFMS) for bulk Account Verification to ensure that credit is passed on to correct beneficiary's account.

Intech has developed number of custom applications to Priority Sector Group (PSG) to automate the process of validation, opening of the new accounts along with the transaction upload. The integration has been with various BCs for bulk account opening. With the result the Bank was able to garner substantial business during the year.

9) Streamlining the operations:

Under Business Process Re-engineering initiatives, which aim at improving operational efficiency by automation of processes and reducing TAT as well as transaction costs, Intech has provided suitable solutions like Credit Monitoring System for Corporate Banking Group. Facility for Unification of Multiple Cust IDs by linking the multiple Cust IDs to one Cust ID, which would pave way to meet regulatory requirement of Unique Customer Identification Code (UCIC) was provided by Intech.

One of the major cost saving initiative was Statement Generation Programme under which now branch wise statements are being generated in 'PDF' format as softcopy which can be got printed from any printer. Thus reducing the dependency on third-party service providers.

10) i-Net Banking:

With a view to provide choice of delivery channels and bringing the Banking products within their reach without need to visit the Bank Branch, Intech has provided tech solutions which can be accessed through Net banking. IDBI Sumridhi Portal is one such initiative, which facilitates Retail Investments in Government Securities. The product has won **Banking Frontier's Finnovit Award**.

11) Reaching out to Customers:

As apart of reaching out to customers not only the application forms for various Retail loans are made available on Bank's web site but a Loan Application Tracking System has also been provided where by the customer can know the status of his loan application.

As a technology back bone of IDBI Bank, Intech has contributed to the Bank's achievements on technology front. As a result Bank won **IBA Banking Technology Award 2012-2013** in five segments viz. First runner up as Best Technology Bank of India and Best Payment Initiatives, Second Runner up in three segments viz. Best Internet Bank, Best User of Business Intelligence and Risk Management & Security Initiatives.

External Business:

To remain focused on providing IT products and services to IDBI Bank and other group companies, the external business has been limited only to the existing clients and / or existing products. During the F.Y. 2013-14, Intech has handled 39 external projects of which 17 projects are completed, 16 projects are monthly / quarterly / annual billing model being delivered / supported and 6 projects are under implementation.

Your Company's flagship products like i@connect - SWIFT, SFMS, RTGS / NEFT Solution, iIRAC (Income Recognition & Asset Classification Solution), iAML (Anti Money Laundering Solution), etc. are well received in the domestic / international market and provide good scope to add to the overall revenue earnings.

International Business:

In the last financial year ended on 31st March 2014, Intech received 3 orders from Kenya in the area of Finacle 10 interface for existing products i@Connect SWIFT and i-GLS and a new solution for branch users.

Intech's Branch Value Management (i-BVM) solution was successfully implemented at Equity Bank and has gone live and working flawlessly. Similarly, Intech has successfully completed i@Connect and i-GLS integration to Finacle 10 in Equity Bank, Kenya. The successful implementation and delivery of the previous projects have created interest in further relation ship and Equity Bank has shown interest in our i-IRAC product also. Intech has received further orders from Fidelity Bank for AML Integration with Business Process Management.

Domestic Business:

Noteworthy achievements in the domestic market for Intech were -

1) i@Connect

New generation RTGS (NG-RTGS) product has also been developed considering the future regulatory requirements and successfully implemented in one of the largest private sector Bank and Oriental Bank of Commerce. Bank of Bahrain and Kuwait had also placed an order for i@Connect NEFT & RTGS module, in financial year 2013-14. We also received orders for further customisation and for Finacle 10 integration on i@Connect in some of the existing customers / banks.

2) i-IRAC

Dhanlaxmi Bank became the second bank after South Indian Bank to procure Intech's Income Recognition and Asset

Classification system. IDBI Intech has successfully completed the i-IRAC project in Dhanalaxmi Bank during the financial year.

3) Infrastructure Services

We are providing infrastructure services to Karnataka State Natural Disaster Monitoring Centre (KSNDMC) creating a strong reference site for a new revenue stream for Intech. We believe this vertical has good potential for growth.

4) i-AML

Oriental Bank of Commerce (OBC), one of our existing clients had shown interest in Anti Money Laundering (i-AML) solution to replace its existing AML solution and placed an order with IDBI Intech in this financial year.

OBST Vertical:

During the F.Y 2013-14 OBST vertical has been discontinued w.e.f June 30, 2013, as reported in the last report for F.Y. 2012-13.

Dividend:

Your directors have not recommended dividend for the financial year 2013-14

Capital:

During the year under report, your Company did not increase paid up share capital.

Fixed Deposits:

Your Company has not invited or accepted any deposits either from the public or from the shareholders of the Company and, as such, no amount of principal or interest was outstanding as on the date of balance sheet.

Statutory Disclosure:

a) Particulars of Employees

During the F.Y. 2013-14, none of the employees except Shri Sanjay Sharma, ex-Managing Director and CEO (01-04-2013 to 29-06-2013), was in receipt of remuneration in excess of the limits prescribed under Companies Act. The particulars as required under the Act are available at registered office of the Company.

b) Explanation or comments by the Board on every qualification, reservation or adverse remark or disclaimer under Auditor's Report

There is no reservation, qualification or adverse remark in Auditor's Report.

c) DIRECTORS' RESPONSIBILITY STATEMENT:

As required by section 217(2AA) of the Companies Act, 1956, the Directors of IDBI Intech Ltd confirm that:

1) In the preparation of the annual accounts, for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2) Accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2014.

3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4) The annual accounts have been prepared on a going concern basis.

Particulars Required to be furnished by the Companies (Disclosure of Particulars in Report of Directors) Rules, 1988

A. Conservation of Energy:

The operations of your company are not energy intensive.

B. Technology Absorption: NIL

C. Foreign Exchange earning and Out go:

The Company has earned foreign exchange amounting to ₹4,72,90,515 and has out-go of foreign exchange amounting to ₹85,51,717 during the Financial year 2013-14 as compared to corresponding figures of ₹ 2,86,44,291 and ₹ 79,09,671 of the previous financial year.

Board of Directors:

Shri R. M. Malla demitted the office of Chairman & Managing Director (CMD) of IDBI Bank on May 31, 2013 and consequently tendered his resignation from the Board of IDBI Intech Limited. Shri M. S. Raghavan, CMD - IDBI Bank, was appointed as Director and Chairman of the Board of IDBI Intech Limited w.e.f August 7, 2013.

Shri Sanjay Sharma, MD & CEO has tendered his resignation on May 14, 2013 and the Board of Directors relieved him on June 29, 2013. IDBI Bank nominated Shri Inderpal S. Kalra as the new MD & CEO of IDBI Intech on deputation from the Bank, accordingly, the Board of Directors of the company vide Circular Resolution dated June 28, 2013 appointed Shri Inderpal S. Kalra as an Additional Director and subsequently appointed him as MD & CEO of the Company w.e.f. July 01, 2013.

In the last Annual General Meeting of the Company, Shri M. S. Raghavan, Chairman was appointed as director liable to retire by rotation and Shri Inderpal S. Kalra MD & CEO as director not liable to retire by rotation as per Article 160(a) of Articles of Association of the Company. Further, Shri B. H. Jajoo and Dr. N. L. Sarda have been re-appointed as directors of the Company at the last Annual General Meeting.

In terms of the relevant provisions of the Companies Act & Article 135 and 137 of the Articles of Association of the Company, appointments and re-appointments of directors shall be as per

the items included in Notice of 14th Annual General Meeting of the Company.

Board Meetings:

During the Financial Year ended March 31, 2014, four meetings of the Board of Directors were held, as follows:

Date	Total no. of Directors	No. of Directors Present
1. April 16, 2013	6	5
2. August 7, 2013	6	6
3. October 31, 2013	6	6
4. February 26, 2014	6	5

Board Committees

Audit Committee of the Board:

The Board has constituted its Audit Committee of the Board which reviewed the financial statements of the Company, Internal Audit Report and various other matters related to financial position of the company. The constitution of the Committee is as follows:

Name of the Member	Designation
1. Shri B. Sambamurthy	Chairman, Independent Director
2. Dr. N. L. Sarda	Independent Director
3. Shri B. K. Batra	Non Executive Director
4. Shri Inderpal S. Kalra	MD & CEO

Remuneration Committee of the Board:

The appointment of Director is done by the Board as per the provisions of Companies Act and Articles of Association of the Company. The Board has constituted Remuneration Committee of the Board which determines the Remuneration of executive Directors and Senior Management of the Company. The Constitution of the Committee is as follows:

Name of the Member	Designation
1. Shri B. Sambamurthy	Chairman, Independent Director
2. Dr. N. L. Sarda	Independent Director
3. Shri B. K. Batra	Non Executive Director

Internal Auditor:

During the F.Y. 2013-14 Company has appointed Bhandarkar & Kale, Chartered Accountants as the Internal Auditor who submit their Internal Audit Report quarterly to the Audit Committee of the Board which covers all accounting aspects including Internal Financial Control.

Auditors:

Your Company falls under the definition of Government Company. Accordingly, Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s Lakhani & Lakhani, Chartered Accountants, Mumbai were appointed as Statutory Auditors for the financial year 2013-14.

Corporate Social Responsibility:

Your Company does not fall under provision of Section 135 of Companies Act 2013 on Corporate Social Responsibility however the company has a well defined CSR policy under

which company is committed for environmental awareness, health care awareness programme, blood donation camp, etc.

During the FY. 2013-14, your Company has contributed ₹1,01,001 to Chief Minister Relief Fund, Uttarakhand for Uttarakhand Relief work with the help of its employees and also organized a Blood Donation Camp as a part of its Corporate Social Responsibility.

Whistle Blower Policy:

Your Company has prescribed Whistle Blower Policy under HR policy of the Company. This policy has been framed for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. There is no such event reported during F.Y. 2013-14.

Acknowledgments:

The Board expresses its deep gratitude to the management of IDBI Bank Ltd for advice, counsel and guidance in the functioning of the Company and looks forward to their continued support. The Board also places on record the appreciation for the business support extended by group and associate companies of IDBI Bank Ltd.

The Board of Directors also place on record their sincere appreciation to all the employees, without whose dedication, commitment and hard work, the progress of the company reported above, would not have been possible.

For and on behalf of the Board

Place: Navi Mumbai
Date: April 16, 2014

Sd/-
Shri M. S. Raghavan
Chairman

To,
The Share Holders of IDBI Intech Ltd.

Report on the Financial Statements

(1) We have audited the accompanying financial statements of IDBI Intech Ltd., which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for financial statements

(2) Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

(3) Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

(4) An audit involves performing procedures to obtain in audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis of our audit opinion.

Opinion

(5) In our opinion and to the best of our information and according to the explanations given to us, subject to 'Notes to accounts' of financial statement, the financial statement

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2014
- b) In the case of Statement of Profit & Loss, of the profit for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the legal and regulatory requirements

(6) As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

(7) As required by section 227(3) of the Act, we report that:

- A) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- B) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- C) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
- D) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- E) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Lakhani & Lakhani
Chartered Accountants
ICAI FR No. 115728W

Sd/-
Suhas Shinde
Partner
M. No. 117107

Date: April 16, 2014
Place: Mumbai

(Referred to in Paragraph 6 of our Report of even date)

- 1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified by the management at the year-end and such verification has revealed no material discrepancies. In our opinion, having regard to the size of the Company and nature of its fixed assets, the frequency of physical verification of the fixed assets is reasonable.
 - (c) According to information and explanation given to us, the company has disposed off obsolete fixed assets during the year even though, due to this disposal the question affecting the going concern status of the Company does not arise.
- 2) Having regard to nature of business of the Company being that of rendering Information Technology Services and Call Centre Services, the requirements of Clause 4(ii) of the Order vis-à-vis inventories are "Not Applicable" to the Company.
- 3) The Company is Government Company as defined under section 617 of the Companies Act, 1956 and is exempt from complying with the provisions of section 297 of the act in terms of Notification No: GSR 233 dated 31/01/1978 in relation to transactions with other Government entities and consequently the requirement for maintenance of records under section 301 of the Companies Act, 1956 relating to granting / borrowing of loans from such parties does not apply. We are informed that, there are no other transactions attracting the provisions of Section 297 / 299 of the Act.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and Sale of services. The nature of the Company's activities is such that it does not involve purchase of inventories and sale of goods. During the course of our audit, we have not observed any major weaknesses in the internal control system of the Company and hence, the question of any continuing failure to correct the same does not arise.
- 5) In respect of particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956:
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) During the year, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
- 7) The Company has appointed a firm of Chartered Accountants to carry out the internal audit. The role of internal audit in the company has been enhanced as compared to previous year.
- 8) The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- 9) In respect of applicable statutory dues, according to the information and explanations given to us:
 - (a) The Company has been generally regular in depositing undisputed applicable statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax and any Other Statutory Dues with the appropriate authorities during the year. In respect of the said dues, there are no outstanding dues as at 31st March 2014, which have remained unpaid for more than six months from the date they became payable.
 - (b) According to the records of the Company, details of dues of Sales Tax, Income-Tax, Wealth Tax, Excise Duty, Service Tax, Cess and Customs Duty which are under dispute as on 31st March, 2014 are given below.

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where the matter is pending	Amount (₹ Lacs)
Income Tax	2006 - 07	ITAT Mumbai	15.64
Income Tax	2005 - 06	ITAT Mumbai	16.40

This is the matter being under dispute, however as per the Refund Adjustment Order, the Department has recovered this amount from the Refund of Succeeding year.

- 10) The Company does not have any accumulated losses and the Company has not incurred cash losses during the year as well as in the immediately preceding financial year.
- 11) The Company has neither borrowed any funds from financial institutions or banks nor issued any debentures.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund or a nidhi / mutual benefit fund / society.
- 14) The Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) As informed to us and as per the explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) The Company has not obtained any term loan. Therefore, the requirements of Clause 4 (xvi) of the Order are "Not Applicable" to the Company.
- 17) The Company has not raised any short term funds which have been used for Long Term Investments during the year.
- 18) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not made any public issue during the year.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Lakhani & Lakhani
Chartered Accountants
ICAI FR No.: 115728W

Sd/-
Suhas S. Shinde
Partner
M. No.: 117107

Date: April 16, 2014
Place: Mumbai

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF IDBI INTECH LIMITED FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of IDBI Intech Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 16 April 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of IDBI Intech Limited for the year ended 31 March 2014 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

For and on behalf of the
Comptroller and Auditor General of India



(Y. N. Thakare)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai
Date: 2 June 2014

Balance Sheet as at 31st March 2014

	Refer Note No.	Year Ended 31 st March 2014 (₹)	Year Ended 31 st March 2013 (₹)
Equity & Liabilities			
Shareholder's Funds			
Share Capital	2	13,12,82,070	13,12,82,070
Reserves & Surplus	3	16,32,42,435	15,64,23,717
		29,45,24,505	28,77,05,787
Non - Current Liabilities			
Deferred Tax Liabilities (Net)	4	----	7,17,417
Current Liabilities			
Trade Payables	5	39,64,781	32,04,510
Other Current Liabilities	6	71,32,743	1,79,96,180
Short Term Borrowings	7	(20,326)	(116)
Short Term Provisions	8	1,81,13,084	16,45,87,210
		2,91,90,282	18,57,87,784
Total		32,37,14,787	47,42,10,988
Assets			
Non - Current Assets			
Fixed Assets			
Tangible Assets	9	44,66,370	1,38,27,290
Intangible Assets		1,72,53,205	1,99,68,552
Capital Work in Progress			
Intangible Assets under Development		17,500	1,83,812
Deferred Tax Asset (Net)	4	15,72,935	----
Long Term Loans & Advances	10	15,72,14,171	16,63,71,481
Other Non Current Assets	11	1,25,90,645	42,14,087
		19,31,14,826	20,45,65,222
Current Assets			
Trade Receivables	12	5,97,22,922	3,74,59,221
Cash & Bank Balances	13	5,29,42,314	5,17,38,655
Short Term Loans & Advances	14	1,79,34,725	18,04,47,890
		13,05,99,961	26,96,45,766
Total		32,37,14,787	47,42,10,988

Notes forming part of Financial Statements.

1 to 31

As per our report attached.
For Lakhani & Lakhani
Chartered Accountants

For and on behalf of the Board

Sd/-
Shri Suhas Shinde
(Partner)
Membership No.: 117107
Firm Registration No.: 115728W

Sd/-
Shri Inderpal S. Kalra
Managing Director & CEO

Sd/-
Shri M. S. Raghavan
Chairman

Place: Mumbai.
Date: April 16, 2014

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

Sd/-
Shri Dinyar Sutaria
CFO, GH - Admin & HR

Profit & Loss Statement for the year ended 31st March 2014

	Refer Note No.	Year Ended 31 st March 2014 (₹)	Year Ended 31 st March 2013 (₹)
Revenue			
Revenue from Operations	15	78,15,66,648	1,84,35,26,541
Foreign Exchange Gain / (Loss)		3,36,817	1,82,167
Other Income	16	52,33,872	20,91,357
Total		78,71,37,337	1,84,58,00,065
Expenses			
Employee Benefits Expenses	17	67,12,26,231	1,58,11,74,869
Other Operating Expenses			
Expenses for Information Technology (IT) Services	18	3,99,92,146	5,02,09,107
Expenses for National Contact Centre	19	31,13,663	16,02,408
Expenses for OBST	20	2,81,71,767	15,42,99,400
Administration & Other Expenses	21	56,43,936	47,31,103
Finance Cost			
Interest on OD		45,970	46,888
Depreciation & Amortization Expenses	9	1,01,08,737	1,04,43,208
Total		75,83,02,450	1,80,25,06,983
Profit Before Extraordinary Items & Tax		2,88,34,887	4,32,93,082
Extraordinary Items			
Disposal of Fixed Assets			
Loss on sale of Fixed Assets		39,04,665	62,720
Fixed Assets w/o		22,74,109	----
		61,78,774	62,720
Profit Before Tax		2,26,56,113	4,32,30,362
Tax Expense			
Current Tax		(47,43,000)	(87,92,000)
MAT Credit		24,47,000	26,85,000
Deferred Tax		22,90,352	64,893
Prior Period Tax Adjustment		(1,58,32,916)	(73,13,136)
Profit After Tax		68,17,549	2,98,75,119
Prior Period Income (Net)		1,169	(62,721)
Profit for the year		68,18,718	2,98,12,398
Earnings Per Share (Face Value ₹ 10 per share)			
Basic & Diluted		0.52	2.28

Notes forming part of Financial Statements. 1 to 31

As per our report attached.
For Lakhani & Lakhani
Chartered Accountants

For and on behalf of the Board

Sd/-
Shri Suhas Shinde
(Partner)
Membership No.: 117107
Firm Registration No.: 115728W

Sd/-
Shri Inderpal S. Kalra
Managing Director & CEO

Sd/-
Shri M. S. Raghavan
Chairman

Place: Mumbai.
Date: April 16, 2014

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

Sd/-
Shri Dinyar Sutaria
CFO, GH - Admin & HR

1) Significant Accounting Policies

a System of Accounting: The Financial Statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles.

b Revenue Recognition: Revenue from contracts priced on time and material basis are recognized when services are rendered & related costs are incurred. Revenue from sale of products is recognised on achievement of milestone basis & on transfer of property of goods as per agreed terms. Annual Technical Services revenue is recognised proportionately over the period in which the services are rendered. Revenue from National Contact Centre is recognised upon receipt of confirmation of sales. Other Income is accounted on Accrual basis. Revenue from Interest is recognised as a time proportion basis taking into account the amount outstanding and rate applicable.

c Fixed Assets and Capital Work-in-progress: Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation. The Softwares sold, on which propriety rights continue with the company, are capitalized at cost.

d Depreciation: Depreciation on fixed assets is provided on the written down value method, at rates specified in the Schedule XIV to the Companies Act, 1956 except in respect of computers which are depreciated at the rate of 60 per cent. Depreciation on additions to / deletions from fixed assets is provided on pro rata basis from / up to the date of such addition / deletion as the case may be. Fixed Assets individually costing less than ₹ 5,000 are fully depreciated in the year of addition. Intangible Assets (Computer Software) are amortised equally over a period of five years.

e Foreign Currency Transactions: Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Foreign monetary assets and liabilities are translated at the rate prevailing as on the date of balance sheet. The resulting exchange rate difference in translation are recognised in the Profit and Loss account for the year.

Employee Benefits: Contribution to Provident Fund & ESIC is accounted on accrual basis. The company has created a trust for future payment of Gratuities & Leave Encashment, which is funded with Life Insurance Corporation of India (LIC). Annual Gratuity contributions are made as determined by LIC for purposes of payment. The liability for gratuity at the end of each financial year is determined based on actuarial valuation. The difference between such actuarially determined liability and contributions made to the fund is recognized as a liability / asset, as the case may be.

Income Tax: Income tax comprises the current tax provision and the change in the deferred tax asset or liability in the year. The deferred tax assets and liabilities are calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted tax rates. Minimum Alternative Tax (MAT) is worked out and provided in accordance to the tax laws, which gives future economic benefit in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

Earning per Share: The earning per share has been reported in accordance with AS-20, "Earning Per Share". Basic earnings per equity share have been computed by dividing profit after Tax by the number of equity shares outstanding as at the accounting year-end. Diluted earnings per equity share has been computed using the number of equity shares outstanding as at the accounting year end and the dilutive potential equity shares outstanding as on the accounting year end.

Leases: Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit & loss on straight - line basis.

Impairment of Assets: The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses no longer exist or have decreased.

Provisions, Contingent Liabilities and Contingent Assets:

- k** (i) A provision is recognised when there is a present obligation as a result of past event and it is possible that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- (ii) Contingent Liabilities are disclosed by way of notes.
- (iii) Contingent Assets are not recognised.

Cash & Cash Equivalents: Cash & Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposits with bank with an original maturity of three months or less.

	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
2) Share Capital		
Authorised Capital		
7,50,00,000 equity shares of ₹ 10 each	75,00,00,000	75,00,00,000
25,00,000 preference shares of ₹ 100 each	25,00,00,000	25,00,00,000
	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>
Issued, Subscribed & Paid up		
1,31,28,207 equity shares of ₹ 10 each fully paid up	13,12,82,070	13,12,82,070
	<u>13,12,82,070</u>	<u>13,12,82,070</u>
IDBI Bank Ltd. holds 100% of the paid-up share capital of the Company.		
3) Reserves & Surplus	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Profit & Loss Account		
Opening Balance	15,64,23,717	12,66,11,319
(+) Net Profit / (Net Loss) For the current year	68,18,718	2,98,12,398
(-) Proposed Dividends	-----	-----
(-) Tax on Proposed Dividend	-----	-----
Closing Balance	<u>16,32,42,435</u>	<u>15,64,23,717</u>
4) Deferred Tax	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Deferred Tax Asset - Depreciation	15,72,935	
Deferred Tax Liability - Depreciation	-----	(7,17,417)
Net Deferred Tax (Liability) / Asset	<u>15,72,935</u>	<u>(7,17,417)</u>
5) Trade Payables	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Creditors other than SSI		
Creditors for Expenses	39,64,781	32,04,510
	<u>39,64,781</u>	<u>32,04,510</u>
6) Other Current liabilities	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Service Tax Liability	(2,543)	3,20,808
TDS Payable - Contractual Payments	94,929	1,13,514
TDS Payable - Professional Services	4,50,365	4,30,415
TDS Payable - Rent	19,679	22,666
TDS Payable - Salaries	(383)	23,87,905
Amounts payable to IDBI	23,87,671	-----
Expenses Payable	12,79,648	24,27,088
EMD Refundable	-----	-----
Vat Payable	9,832	16,854
Profession Tax Payable	9,43,747	10,28,527
DFS Project (Web Based Multi Point Video Conf. facility)	-----	98,94,030
NMMC / LBT Payable	60,108	35,046
BST / CST Payable	-----	1,92,461
OBST Reimbursement (IDBI)	-----	6,85,070
Other Liabilities	-----	600
Income Received in Advance	18,89,690	4,41,196
	<u>71,32,743</u>	<u>1,79,96,180</u>
7) Short Term Borrowings	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Secured		
IDBI Bank - Overdraft	(20,326)	(116)
	<u>(20,326)</u>	<u>(116)</u>
Overdraft facility availed from IDBI Bank is secured against current assets of the Company and carries interest @ Base rate + 2% p.a. (present effective 12.25% p.a.)		
8) Short Term Provisions	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Provision for Employee Benefits	1,81,13,084	16,45,87,210
	<u>1,81,13,084</u>	<u>16,45,87,210</u>

Provision for employee benefits include Salary, Incentives, OPE, Medclaim Reimbursements, Employer & Employee contributions to various statutory funds as per applicable statutes. It also includes Rs 38.03 Lakhs pertaining to unclaimed salary of OBST employees for a period more than three years which will be transferred to Labour Welfare Dept. in FY 2014-15.

9) Fixed Assets Description	Gross Block		Depreciation				Net Block	
	As on 1/04/2013	As on 31/03/2014	As on 1/04/2013	As on 31/03/2014	Deletion/ Adjustment	As on 31/03/2014	As on 01/04/2013	
Tangible Fixed Assets								
Information Technology Division								
Computer & Accessories	1,63,98,251	1,64,45,880	1,42,90,823	13,08,030	-----	1,55,98,853	8,47,027	21,07,428
Office Equipment	30,62,268	29,29,449	13,05,370	2,38,577	72,771	14,71,176	14,58,273	17,56,898
Power Equipments	23,32,035	23,32,035	19,31,387	55,728	-----	19,87,115	3,44,920	4,00,648
Furniture & Fixtures	6,22,504	2,70,686	4,32,223	22,554	2,16,764	2,38,013	32,673	1,90,281
Motor Car	20,02,698	20,02,698	5,11,364	3,86,112	-----	8,97,476	11,05,222	14,91,334
Electrical Installation	4,22,967	4,22,967	94,639	45,672	-----	1,40,311	2,82,656	3,28,328
National Contact Centre								
Building & Civil Works	30,03,360	-----	11,81,538	50,163	12,31,701	-----	-----	18,21,822
Office Equipment	1,71,28,279	8,51,237	1,29,67,156	3,52,239	1,26,34,177	6,85,218	1,66,019	41,61,123
Computer & Accessories	77,86,649	16,07,311	74,03,928	2,29,470	61,78,741	14,54,657	1,52,654	3,82,721
Electrical Installation	26,41,607	20,000	20,08,430	52,319	20,52,389	8,360	11,640	6,33,177
Furniture & Fixtures	36,94,288	4,22,367	31,40,758	65,645	28,49,322	3,57,081	65,286	5,53,530
	5,90,94,906	2,73,04,630	4,52,67,616	28,06,509	2,52,35,865	2,28,38,260	44,66,370	1,38,27,290
Intangible Fixed Assets								
Information Technology Division								
Intangible Assets	3,04,60,513	3,50,47,393	1,14,28,763	70,09,476	-----	1,84,38,239	1,66,09,155	1,90,31,750
National Contact Centre								
Intangible Assets	14,63,758	14,63,758	5,26,956	2,92,752	-----	8,19,708	6,44,050	9,36,802
	3,19,24,271	3,65,11,151	1,19,55,719	73,02,228	-----	1,92,57,947	1,72,53,205	1,99,68,552
Total	9,10,19,177	6,38,15,781	5,72,23,335	1,01,08,737	2,52,35,865	4,20,96,207	2,17,19,575	3,37,95,842
Intangible Assets Under Development	1,83,812	17,500	-----	-----	-----	-----	17,500	-----
Previous Period Figures	9,26,94,384	9,10,19,177	5,91,07,126	1,04,43,208	1,23,26,999	5,72,23,335	3,37,95,842	-----

10) Longterm Loans & Advances (Unsecured, Considered good)	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Advances receivable in cash or kind		
Sundry Deposits	13,06,124	12,27,500
Tax Refund Due	14,94,63,688	15,91,29,627
OBST Reimbursement (IDBI)	3,16,590	----
Accrued Interest On FD's	4,90,739	79,324
Adjusted Refund against assessment of A.Y. 10-11	31,90,030	31,90,030
CST Recoverable	----	60,000
MAT Entitlement Credit A.Y. 2013-14	----	26,85,000
MAT Entitlement Credit A.Y. 2014-15	24,47,000	----
	<u>15,72,14,171</u>	<u>16,63,71,481</u>

Company has entered into operating lease in FY 2011-12 for office premises for which a refundable deposit of ₹ 6 lacs is maintained with the lessor & the same forms a part of sundry deposits. Sundry deposits also includes ₹ 4.59 Lakhs Earnest Money Deposit maintained with prospective clients.

11) Other Non Current Assets	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Longterm Trade Receivables	<u>1,25,90,645</u>	<u>42,14,087</u>
	1,25,90,645	42,14,087

Long Term receivables include Rs 2.60 Lakhs outstanding for a period more than 3 Years.

12) Trade Receivables (Unsecured, considered good)	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Over Six Months	42,40,208	32,51,652
Less than Six Months	5,54,82,714	3,42,07,569
	<u>5,97,22,922</u>	<u>3,74,59,221</u>

13) Cash & Bank Balances	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Cash & Cash Equivalants		
Cash in Hand	20,000	15,529
Current Account Balances (Includes Sweep In Deposit Balance)	2,75,67,202	4,65,64,881
Deposits with original maturity less than three months	----	----
	<u>2,75,87,202</u>	<u>4,65,80,410</u>
Other Bank Balances		
Deposits (Original maturity more than 3 months but less than 12 months)	42,65,861	48,01,686
Deposits (Original maturity exceeding 12 months)	2,10,89,251	3,56,559
	<u>2,53,55,112</u>	<u>51,58,245</u>
	<u>5,29,42,314</u>	<u>5,17,38,655</u>

14) Short Term Loans & Advances (Unsecured, considered good)	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Prepaid Insurance Charges		
- Medclaim Insurance	10,91,852	6,18,305
- Vehicle Insurance	19,158	22,964
- Group Term Insurance	68,001	----
- Other Assets Insurance	17,139	24,079
Income Receivable	1,33,24,386	15,85,90,091
Advance Travelling & Conveyance	5,000	35,000
Other Advances	18,353	18,497
Amount receivable from Bajaj Allianz (Mediclaime)	7,44,064	----
Advance to Employees	----	2,13,701
Service Tax Credit	3,63,159	1,83,366
Service Tax paid on Provisions	12,50,627	1,93,86,136
Prepaid Expenses	3,14,987	3,53,426
IDBI SEO Project	1,01,124	----
Leave Encashment receivable from LIC	6,16,875	10,02,325
	<u>1,79,34,725</u>	<u>18,04,47,890</u>

Income receivable constitutes accruals towards various services provided for the month of March'14. I More than 75% of the accruals for FY 2012-13 pertain to accruals for OBST vertical.t also includes Rs. 14.48 Lakhs provided for FY 2011-12.

	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
15) Revenue from Operations		
Sale of Products		
- Income from Sale of Software	2,24,10,940	2,53,20,833
Sale of Services		
- Income from Information Technology (IT) Services	43,96,79,192	46,81,65,895
- Income from National Contact Centre	6,50,85,464	7,07,17,570
- Income from OBST	25,43,91,052	1,27,93,22,243
	<u>78,15,66,648</u>	<u>1,84,35,26,541</u>
16) Other Income		
Interest on Fixed Deposits (TDS C.Y ₹ 2,40,270, P.Y. ₹ 1,47,674)	30,36,344	20,71,089
Interest on Income tax Refund	21,72,715	----
Miscellaneous Income	1,588	----
Profit on Sale of Motor Car	----	9,361
Fees for Tender Document	----	----
Provisions Written Back	23,225	10,907
	<u>52,33,872</u>	<u>20,91,357</u>
17) Employee Benefits Expenses		
Salary, Incentives & Allowances	57,50,87,613	1,40,71,03,785
Contribution to Gratuity	1,65,46,106	67,91,763
Contributions to PF	3,74,26,958	9,89,87,502
Contributions to ESIC	1,06,95,519	4,11,41,313
Contributions to LWF	1,37,956	3,44,903
Staff Welfare Expenses	3,13,32,079	2,68,05,603
	<u>67,12,26,231</u>	<u>1,58,11,74,869</u>
18) Expenses for Information Technology (IT) Services		
Electricity Charges	8,61,900	7,65,480
Communication Charges	22,40,253	21,95,640
Printing & Stationery	11,46,011	14,86,215
Office & Maintenance	8,74,173	8,39,173
Travelling & Conveyance	1,91,85,844	2,33,14,862
Motor Car Expenses	2,87,514	3,13,509
Network Management Cost	----	70,10,365
Facility Management Charges	----	33,40,958
Professional / Technical Fees Paid	75,75,262	42,31,669
Data Entry Charges	25,91,916	23,12,305
Postage & Courier Charges	74,288	92,077
Hiring Charges	19,46,806	17,88,027
Rent, Rates & Taxes	----	1,56,484
Miscellaneous Expenses	69,942	1,03,452
Fees for Tender Document	1,000	45,126
Recruitment Expenses	19,33,857	4,95,211
Bank Charges	1,94,607	2,46,305
Meeting Expenses	23,982	39,172
Gifts and Other Expenses	3,550	92,744
Repair and Maintenance		
- Vehicle	16,355	4,649
- Other	80,305	65,996
Subscription Fees Paid	79,089	1,25,422
Training, Seminar and Conference Expenses	5,05,492	1,46,900
Fixed Assets w/o.	----	1,769
Advertisement Expenses	3,00,000	9,95,597
	<u>3,99,92,146</u>	<u>5,02,09,107</u>

19) Expenses for National Contact Centre

	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Communication Charges	1,66,424	64,770
Printing & Stationery	1,26,811	1,11,311
Office & Maintenance	18,75,644	11,94,528
Travelling & Conveyance	5,09,743	1,27,946
Rent, Rates & Taxes	-----	797
Legal & Professional Fees	2,50,500	-----
Hiring Charges	-----	1,100
License Fees	-----	-----
Postage & Courier Charges	1,142	-----
Meeting Expenses	1,315	1,449
Miscellaneous Expenses	33,026	18,046
Recruitment Expenses	1,32,270	56,517
Gifts and Other Expenses	9,688	11,382
Repair and Maintenance	7,100	14,562
	31,13,663	16,02,408

20) Expenses for OBST

	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Communication Charges	4,55,013	20,73,978
Printing & Stationery	77,481	67,589
Travelling & Conveyance	2,68,94,745	15,19,44,893
Legal & Professional Fees	4,86,328	2,478
Postage & Courier Charges	51,648	55,526
Hiring Charges	-----	31,843
Office Maintenance	74,435	-----
Rent, Rates & Taxes	-----	20,100
Miscellaneous Expenses	1,31,119	47,063
Recruitment Expenses	-----	39,654
Bank Charges	998	2,215
Meeting Expenses	-----	7,983
Gifts & Other Expenses	-----	5,850
Training, Seminar and Conference Expenses	-----	228
	2,81,71,767	15,42,99,400

21) Administration & Other Expenses

	Year ended 31 st Mar 14 (₹)	Year ended 31 st Mar 13 (₹)
Communication Charges	1,14,319	98,229
Printing & Stationery	7,76,085	4,90,591
Office & Maintenance	5,33,103	3,72,418
Travelling & Conveyance	1,35,530	1,87,675
Network Management Cost	63,996	63,996
Legal & Professional Fees Paid	17,10,784	14,59,881
Payment to the Auditor as		
- Statutory Audit Fees	1,00,000	1,00,000
- Tax Audit Fees	45,000	40,000
- Internal Audit Fees	2,40,000	2,00,000
- Out of Pocket Expenses	20,354	14,000
Hiring Charges	-----	1,400
Insurance Charges	68,257	1,03,910
Rent, Rates & Taxes	6,12,250	6,88,330
Miscellaneous Expenses	81,979	94,635
Bank Charges & Commission	4,053	550
Meeting Expenses	27,081	10,544
Postage & Courier	1,234	1,100
Subscription Fees	1,50,901	1,03,737
Gifts & Other Expenses	2,70,238	2,17,188
Directors' sitting fees & Other Exp	3,97,076	2,82,856
Recruitment Expenses	2,08,340	4,460
TDS Written off	-----	8,115
Repair and Maintenance		
- Electricals	-----	-----
- Others	3,656	-----
Training, Seminar and Conference Expenses	79,700	1,87,488
	56,43,936	47,31,103

22) Related Party Transactions

 Year ended 31st Mar 14 (₹)

 Year ended 31st Mar 13 (₹)

(i) Shri Inderpal S. Kalra (Key Management Personnel) (On Deputation from IDBI Bank Ltd.)

Salary	23,05,760	----
	<u>23,05,760</u>	<u>----</u>

(ii) Shri Sanjay Sharma - MD & CEO (Key Management Personnel)

Salary*	14,02,165	44,32,500
Allowance	4,31,077	16,39,680
Perquisites	1,82,696	2,72,553
	<u>20,15,938</u>	<u>63,44,733</u>

(iii) IDBI Federal Life Insurance Co. Ltd.

(Holding company has beneficial ownership i. e. IDBI Bank Ltd.)

Information Technology Services	2,78,04,546	2,82,73,175
---------------------------------	-------------	-------------

* The above figure does not include company's contribution to retirement benefits

23) Earnings Per Share

 Year ended 31st Mar 14 (₹)

 Year ended 31st Mar 13 (₹)

(a) Profit after Tax (In ₹)	68,17,549	2,98,75,119
(b) Weighted No. of Equity Shares	1,31,28,207	1,31,28,207
(c) Nominal Value of Equity Share (In ₹)	10	10
(d) Basic Earning per share (In ₹)	0.52	2.28

During the year, there was no dilution to Basic Earning Per Share, since there are no outstanding dilutive shares.

24) Foreign Currency Transactions (In ₹)

 Year ended 31st Mar 14 (₹)

 Year ended 31st Mar 13 (₹)

Earnings in Foreign Currency		
Information Technology Services	4,72,90,515	2,86,44,291
Expenditure in Foreign Currency		
Travel allowances to employees on Overseas Project	85,51,716	73,16,739
Overseas Business Development Expenses	----	5,27,285
Overseas Conference & Subscription Expenses	----	65,647
	<u>85,51,716</u>	<u>79,09,671</u>

25) Leases

 Year ended 31st Mar 14 (₹)

 Year ended 31st Mar 13 (₹)

The company has entered into operating lease for office premises. The total of future minimum lease payments under non-cancellable operating leases as determined by the lease agreements are as follows:

Particulars		
Not later than one year	8,82,194	17,03,000
Later than one year and not later than five year	----	1,43,000
Later than five years	----	----
Total of future minimum lease payments	<u>8,82,194</u>	<u>18,46,000</u>

Total minimum lease payments recognized in the Profit and Loss Account under the head Hiring Charges	19,22,806	15,51,661
--	-----------	-----------

26) Segmental Reporting

The company operates in three segments i.e. Information Technology Services, OBST & National Contact Centre. These Segments have been identified in line with AS-17 on Segment Reporting after considering the nature and risk profile of the products and services, the target customer profile, the organization structure and the integral reporting system of the company. The Company has disclosed business segment as the Primary Segment. The company is considered to operate only in Domestic Segment, as the export services revenue is negligible so there are no reportable Geographical segments. Segment revenue, results, assets and liabilities include the amounts identifiable to each of the segments as also amounts allocated as estimated by the management. Assets and liabilities that cannot be allocated to identifiable segments are grouped under unallocated assets and liabilities.

Particulars

 Year ended 31st Mar 14 (₹)

 Year ended 31st Mar 13 (₹)

A Segment Revenue		
OBST	25,43,91,052	1,27,93,22,243
Information Technology	46,20,90,132	49,34,86,728
Call Centre	6,50,85,464	7,07,17,570
	<u>78,15,66,648</u>	<u>1,84,35,26,541</u>
Less : Intersegment Revenue	----	----
Income From Operations	<u>78,15,66,648</u>	<u>1,84,35,26,541</u>

B	Segment Results		
	OBST	(1,69,365)	55,35,455
	Information Technology	4,71,55,585	4,60,61,475
	Call Centre	89,68,031	1,83,41,476
		<hr/>	<hr/>
		5,59,54,251	6,99,38,406
	Less: Other Unallocable Expenditure net of Unallocable Income	3,32,98,138	2,67,08,044
	Total Profit Before Tax	2,26,56,113	4,32,30,362
	Less: Income Tax	1,58,38,564	1,33,55,243
	Profit After Tax	68,17,549	2,98,75,119
	Add: Prior Period Income (Net)	1,169	(62,721)
	Net Profit For The Year	68,18,718	2,98,12,398
		<hr/>	<hr/>
C	Segment Assets		
	OBST	99,51,902	17,27,27,525
	Information Technology	9,55,79,614	6,83,61,301
	Call Centre	58,45,902	1,62,39,526
	Unallocated Corporate Assets	26,97,34,433	28,84,68,609
		<hr/>	<hr/>
		38,11,11,852	54,57,96,961
		<hr/>	<hr/>
D	Segment Liabilities		
	OBST	1,55,14,334	15,82,34,151
	Information Technology	1,16,46,541	1,63,60,389
	Call Centre	4,05,265	4,35,506
	Unallocated Corporate Liabilities	6,05,93,591	8,23,43,711
		<hr/>	<hr/>
		8,81,59,732	25,73,73,757
		<hr/>	<hr/>
	Capital Employed (Segment Assets - Segment Liabilities)		
	OBST	(55,62,433)	1,44,93,374
	Information Technology	8,39,33,073	5,20,00,912
	Call Centre	54,40,637	1,58,04,020
	Unallocated	20,91,40,843	20,61,24,898
		<hr/>	<hr/>
		29,29,52,120	28,84,23,204
		<hr/>	<hr/>
E	Capital Expenditure		
	Information Technology	46,51,385	1,08,76,240
	Call Centre	2,425	-----
		<hr/>	<hr/>
		46,51,385	1,08,76,240
		<hr/>	<hr/>
F	Depreciation		
	Information Technology	90,66,149	86,40,457
	Call Centre	10,42,588	18,02,751
		<hr/>	<hr/>
		1,01,08,737	1,04,43,208
		<hr/>	<hr/>

27) Contingent Liabilities & Commitments

(i) Contingent Liabilities

(a) Gurantees: The Company has issued Bank guarantee of ₹ 15.78 lacs to customers for its IT Projects. As at 31st March 2014, the contingent liabilities under these gurantees amounted to ₹ 15.78 lacs (P.Y.: ₹ 14.98 lacs).

(b) Claim not acknowledged by the Company: Income tax Authorities; A.Y. 2006-07 ₹ 16.40 lacs & A.Y. 2007-08 ₹ 15.64 lacs. P.Y. (A.Y. 2006-07 ₹ 16.40 lacs & A.Y. 2007-08 ₹ 15.64 lacs.) The company has already filed an Appeal with the appellate authorities.

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided is as follows; CAPEX on account of Software purchases C.Y. Nil P.Y. (₹ 8.77 Lacs)

28) Balance in Creditors, Debtors and Loans & Advances are taken as per books and are subject to confirmation / reconciliation.

29) There are no dues which are payable to micro & small scale enterprises as defined under MSMED Act, 2006.

30) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"

I. ASSUMPTIONS:	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
DISCOUNT RATE [PREVIOUS]	8.00%	8.00%
RATE OF RETURN ON PLAN ASSETS [PREVIOUS]	8.00%	8.00%
SALARY ESCALATION [PREVIOUS]	5.00%	5.00%
ATTRITION RATE [PREVIOUS]	1%-3%	1%-3%
DISCOUNT RATE [CURRENT]	9.31%	8.00%
RATE OF RETURN ON PALN ASSETS [CURRENT]	8.70%	8.00%
SALARY ESCALATION [CURRENT]	8.00%	5.00%
ATTRITION RATE [CURRENT]	1%-3%	1%-3%

II. TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
PRESENT VALUE OF BENEFIT OBLIGATION AS AT THEBEGINNING OF THE CURRENT PERIOD	2,35,82,479	1,54,49,726
INTEREST COST	18,86,598	12,35,978
CURRENT SERVICE COST	49,44,246	44,49,821
LIABILITY TRANSFERRED IN (LIABILITY TRANSFERRED OUT)	----	----
(BENEFIT PAID)	(45,33,512)	(9,78,971)
ACTUARIAL (GAINS) / LOSSES ON OBLIGATIONS	(28,21,566)	34,25,925
PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE END OF THE CURRENT PERIOD	<u>2,30,58,245</u>	<u>2,35,82,479</u>

III. TABLE OF FAIR VALUE OF PLAN ASSETS:	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THEPERIOD	2,35,82,479	1,54,49,726
EXPECTED RETURN ON PLAN ASSETS	18,86,598	12,35,978
CONTRIBUTIONS	14,75,158	77,01,121
TRANSFER FROM OTHER COMPANY (TRANSFER TO OTHER COMPANY)	----	----
(BENEFIT PAID)	(45,33,512)	(9,78,971)
ACTUARIAL GAIN / (Losses) ON PLAN ASSETS	5,61,351	1,74,625
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	<u>2,29,72,074</u>	<u>2,35,82,479</u>

IV. TABLE OF RECOGNITION OF ACTUARIAL GAINS / LOSSES: 1/4/2013 - 31/3/2014 1/4/2012 - 31/3/2013	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
ACTUARIAL (GAINS) / LOSSES ON OBLIGATION FOR THE PERIOD	(28,21,566)	34,25,925
ACTUARIAL (GAINS) / LOSSES ON ASSET FOR THE PERIOD	(5,61,351)	(1,74,625)
SUBTOTAL	(33,82,917)	32,51,300
ACTUARIAL (GAINS) / LOSSES RECOGNIZED IN INCOME & EXPENSES STATEMENT	<u>(33,82,917)</u>	<u>32,51,300</u>

V. TABLE OF RECOGNITION OF TRANSITIONAL LIABILITY:	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
UNRECOGNIZED TRANSITIONAL LIABILITYAT THE START OF THE PERIOD	----	----
TRANSITIONAL LIABILITY INCURRED DURING THE PERIOD (TRANSITIONAL LIABILITY RECOGNIZED DURING THE PERIOD)	----	----
UNRECOGNIZED TRANSITIONAL LIABILITYAT THE END OF THE PERIOD	----	----

VI. ACTUAL RETURN ON PLAN ASSETS:	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
EXPECTED RETURN ON PLAN ASSETS	18,86,598	12,35,978
ACTUARIAL GAINS / (LOSSES) ON PLAN ASSETS	5,61,351	1,74,625
ACTUAL RETURN ON PLAN ASSETS	24,47,949	14,10,603

	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
VII. AMOUNT RECOGNIZED IN THE BALANCE SHEET:		
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	2,29,72,074	2,35,82,479
(PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE END OF THE PERIOD)	(2,30,58,245)	(2,35,82,479)
DIFFERENCE	(86,171)	----
NET (LIABILITY) / ASSET RECOGNIZED IN THE BALANCE SHEET	(86,171)	----
VIII. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:		
CURRENT SERVICE COST	49,44,246	44,49,821
INTEREST COST	18,86,598	12,35,978
(EXPECTED RETURN ON PLAN ASSETS)	(18,86,598)	(12,35,978)
ACTUARIAL (GAIN) / LOSSES	(33,82,917)	32,51,300
EXPENSE RECOGNIZED IN THE INCOME STATEMENT	15,61,329	77,01,121
IX. BALANCE SHEET RECONCILIATION:		
OPENING NET LIABILITY	----	----
EXPENSE AS ABOVE	15,61,329	77,01,121
NET TRANSFER IN	----	----
(NET TRANSFER OUT)	----	----
(EMPLOYER'S CONTRIBUTION)	(14,75,158)	(77,01,121)
NET LIABILITY / (ASSET) RECOGNIZED IN THE BALANCE SHEET	86,171	----
X. OTHER DETAILS:		
	31/3/2014	31/3/2013
NO OF MEMBERS	912	1,128
SALARY PM	1,30,70,945	1,59,12,124
PRESCRIBED CONTRIBUTION FOR NEXT YEAR (12 MONTHS)	53,80,450	49,44,246

NOTES: Gratuity is payable as per company's scheme as detailed in the report. Actuarial gains/losses are accounted for in the period of occurrence. Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand and supply of the employees. Opening liability and service cost is as per the information given by the client

	31-03-2014	31-03-2013
XI. CATEGORY OF ASSETS:		
GOVERNMENT OF INDIA ASSETS	----	----
CORPORATE BONDS	----	----
SPECIAL DEPOSITS SCHEME	----	----
EQUITY SHARES OF LISTED COMPANIES	----	----
PROPERTY	----	----
INSURER MANAGED FUNDS	2,29,72,074	2,35,82,479
OTHER	----	----
TOTAL	2,29,72,074	2,35,82,479
XII. EXPERIENCE ADJUSTMENT:		
	1/4/2013 - 31/3/2014	1/4/2012 - 31/3/2013
ON PLAN LIABILITY (GAINS) / LOSSES	(78,81,939)	34,25,925
ON PLAN ASSETS (LOSSES) / GAINS	5,61,351	1,74,625

31) Figures of previous year have been regrouped and recast wherever necessary to make them comparable with the current year's figures.

Cash Flow Statement for the year ended 31st March 2014.

	2013-2014		2012-2013	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Cash flow from operating activities				
Net Profit / Loss before Income tax & Extra ordinary items		2,88,34,887		4,32,93,082
Adjustment for:				
Depreciation charges for the year	1,01,08,737		1,04,43,208	
Loss on sale of Obsolete Assets	----		----	
Fixed Asset w/o	----		1,769	
Interest on Overdraft	45,970		46,888	
Profit on Sale of Motor Car	----		(9,361)	
Prior Period Income / (Expenses) (Net)	1,169	1,01,55,876	(62,721)	1,04,19,783
Operating Profit before working capital changes		3,89,90,763		5,37,12,865
Decrease / (Increase) in Sundry Debtors	(2,22,63,701)		(97,73,908)	
Decrease / (Increase) in Loans & Advances	15,36,27,978		2,44,59,164	
(Decrease) / Increase in Current Liabilities	(15,66,04,820)	(2,52,40,543)	(9,24,975)	1,37,60,281
Net cash flow from operating activities		1,37,50,220		6,74,73,146
(Payment) / Refund of Income Tax		(84,62,978)		(4,98,79,965)
Cash flow from Investment Activities				
Investment in Fixed Deposit with maturity exceeding three months	(2,01,96,867)		(23,35,924)	
Purchase of Fixed Assets (Net)	(40,44,931)	(2,42,41,798)	(1,05,76,982)	(1,29,12,906)
Cash Flow from Financing Activities				
Interest on Overdraft	(38,652)		(46,888)	
Dividend Paid	----	(38,652)	(65,64,104)	(66,10,992)
Net Increase / (Decrease) in cash and cash equivalents		(1,89,93,208)		(19,30,717)
Opening Cash and Cash Equivalent		4,65,80,410		4,85,11,127
Closing Cash and Cash Equivalent		2,75,87,202		4,65,80,410
Net Increase / (Decrease) in cash and cash equivalents		(1,89,93,208)		(19,30,717)

Note: The Cashflow Statement has been prepared using of Indirect Method as prescribed in AS - 3 issued by ICAI

As per our report attached.
For Lakhani & Lakhani
Chartered Accountants

For and on behalf of the Board

Sd/-
Shri Suhas Shinde
(Partner)
Membership No.: 117107
Firm Registration No.: 115728W

Sd/-
Shri Inderpal S. Kalra
Managing Director & CEO

Sd/-
Shri M. S. Raghavan
Chairman

Place: Mumbai.
Date: April 16, 2014

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

Sd/-
Shri Dinyar Sutaria
CFO, GH - Admin & HR

Earnings per Equity Share

31st March, 2014
Amount (₹)

31st March, 2013
Amount (₹)

Earnings per equity share has been calculated based on the profit of ₹ 68,17,549 for Year Ended March'14, & ₹ 2,98,75,119 for Year ended March'13. & the number of Equity Shares of 1,31,28,207 (P.Y.1,31,28,207)

Following is the reconciliation between the Basic & Diluted Earnings per equity

Basic earning per share	0.52	2.28
Effect of potential equity shares for advance against share capital money	Nil	Nil
Diluted Earnings per share	0.52	2.28

Basic earning per equity share has been computed by dividing profit after tax by the number of equity shares outstanding as at quarter end.

Diluted earnings per equity share has been computed using the number of equity shares outstanding as at quarter end & the dilutive potential equity shares outstanding as at quarter end.

Number of equity shares used in computing basic earnings per equity share	1,31,28,207	1,31,28,207
Effect of potential equity shares for advance against equity share capital	Nil	Nil
Weighted average number of equity shares used in computing diluted earnings per share	1,31,28,207	1,31,28,207

As per our report attached.
For Lakhani & Lakhani
Chartered Accountants

For and on behalf of the Board

Sd/-
Shri Suhas Shinde
(Partner)
Membership No.: 117107
Firm Registration No.: 115728W

Sd/-
Shri Inderpal S. Kalra
Managing Director & CEO

Sd/-
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Place: Mumbai.
Date: April 16, 2014

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

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CFO, GH - Admin & HR

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International Banks

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