



3i Infotech Limited

Regd office: Tower 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai 400 703

Audited Consolidated financial results of 3i Infotech Limited and its subsidiaries					
(Rupees in million except otherwise indicated)					
Particulars	Quarter ended		Half year ended		Year Ended
	Sep 30, 2006	Sep 30, 2005	Sep 30, 2006	Sep 30, 2005	Mar 31, 2006
Income:					
Income from operations	1,450.27	973.59	2,734.90	1,858.34	4,178.14
Other Income	38.66	10.20	86.19	25.00	62.33
	1,488.93	983.79	2,821.09	1,883.34	4,240.47
Expenditure:					
Cost of revenue	778.27	552.05	1,475.41	1,054.17	2,350.90
Selling, general & admn. Expenses	331.20	221.92	625.33	438.16	969.60
	1,109.47	773.97	2,100.74	1,492.33	3,320.50
Profit before interest, depreciation & taxes	379.46	209.82	720.35	391.01	919.97
Interest	44.56	13.22	76.43	35.51	79.78
Depreciation	90.32	73.34	169.03	129.54	260.53
Profit before taxation	244.58	123.26	474.89	225.96	579.66
Current taxes	8.90	3.99	17.93	11.03	22.38
(Including Fringe benefit tax)	-	-	-	-	-
Deferred taxes	4.21	(14.21)	14.57	(21.52)	(9.73)
Deferred tax pertaining to earlier years	-	0.04	-	0.04	(0.22)
MAT Credit Entitlement	(0.08)	-	(2.70)	-	(9.41)
Profit after taxation	231.55	133.44	445.09	236.41	576.64
Minority Interest	6.27	-	6.27	-	2.27
Profit after minority Interest	225.28	133.44	438.82	236.41	574.37
Paid up equity share capital	533.25	528.37	533.25	528.37	530.45
Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
Earnings per share					
Basic (Rs)	3.89	2.17	7.57	3.76	9.51
Diluted (Rs)	3.77	2.13	7.30	3.72	9.14
Aggregate of Non-promoters Shareholding					
Number of Shares	27,510,886	24,173,717	27,510,886	24,173,717	24,381,522
Percentage of Shareholding	51.59%	45.75%	51.59%	45.75%	45.96%
Items exceeding 10% of the total expenditure:					
Staff cost	533.32	272.87	1,024.64	556.56	1,407.39
Outsourced services & boughtout items	256.56	289.26	494.35	503.66	1,044.81

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(Rupees in million except otherwise indicated)					
Particulars	Quarter ended		Half year Ended		Year Ended
	Sep 30, 2006	Sep 30, 2005	Sep 30, 2006	Sep 30, 2005	Mar 31, 2006
Income:					
Income from operations	801.22	719.28	1,583.46	1,370.61	2,760.34
Other Income	40.45	16.97	81.22	23.78	59.02
	841.67	736.25	1,664.68	1,394.39	2,819.36
Expenditure:					
Cost of revenue	353.84	406.97	736.75	757.42	1,444.49
Selling, general & admn. Expenses	233.72	174.29	434.93	322.83	661.66
	587.56	581.26	1,171.68	1,080.25	2,106.15
Profit before interest, depreciation & taxes	254.11	154.99	493.00	314.14	713.21
Interest	37.85	13.94	64.47	33.77	66.41
Depreciation	74.74	56.85	148.86	109.80	236.77
Profit before taxation	141.52	84.20	279.67	170.57	410.03
Current taxes	2.40	4.55	7.42	10.75	19.24
(Including Fringe benefit tax)	-	-	-	-	-
Deferred taxes	1.45	(13.61)	15.01	(2.91)	8.29
Deferred tax pertaining to earlier years	-	-	-	-	(0.22)
MAT Credit Entitlement	-	-	(2.62)	-	(9.41)
Profit after taxation	137.67	93.26	259.86	162.73	392.13
Minority Interest	-	-	-	-	-
Profit after minority Interest	137.67	93.26	259.86	162.73	392.13
Reserves excluding revaluation reserves					2,191.74
Paid up equity share capital	533.25	528.37	533.25	528.37	530.45
Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
Earnings per share					
Basic (Rs)	2.25	1.41	4.21	2.31	5.99
Diluted (Rs)	2.18	1.39	4.06	2.28	5.76
Aggregate of Non-promoters Shareholding					
Number of Shares	27,510,886	24,173,717	27,510,886	24,173,717	24,381,522
Percentage of Shareholding	51.59%	45.75%	51.59%	45.75%	45.96%
Items exceeding 10% of the total expenditure:					
Staff cost	249.82	183.28	496.04	378.97	741.57
Outsourced services & boughtout items	117.68	231.20	268.88	391.43	722.11

Consolidated Segment Reporting					
(Rupees in million except otherwise indicated)					
Particulars	Quarter ended		Half Year Ended		Year Ended
	Sep 30' 2006	Sep 30' 2005	Sep 30' 2006	Sep 30' 2005	Mar 31' 2006
Segment Revenues:					
Products	698.86	443.35	1,326.49	843.67	1,951.58
Services	790.07	540.44	1,494.60	1,039.67	2,288.89
	1,488.93	983.79	2,821.09	1,883.34	4,240.47
Segment Results (Gross Profit)					
Products	384.44	222.93	714.09	431.01	1,022.33
Services	326.22	208.81	631.59	398.16	867.24
	710.66	431.74	1,345.68	829.17	1,889.57
Selling, general & admn. Expenses	331.20	221.92	625.33	438.16	969.60
Profit before interest, depreciation & taxes	379.46	209.82	720.35	391.01	919.97
Interest	44.56	13.22	76.43	35.51	79.78
Depreciation	90.32	73.34	169.03	129.54	260.53
Profit before taxation	244.58	123.26	474.89	225.96	579.66
Current taxes	8.90	3.99	17.93	11.03	22.38
(Including Fringe benefit tax)	-	-	-	-	-
Deferred taxes	4.21	(14.21)	14.57	(21.52)	(9.73)
Deferred tax pertaining to earlier years	-	0.04	-	0.04	(0.22)
MAT Credit Entitlement	(0.08)	-	(2.70)	-	(9.41)
Profit after taxation	231.55	133.44	445.09	236.41	576.64
Minority Interest	6.27	-	6.27	-	2.27
Profit after taxation	225.28	133.44	438.82	236.41	574.37

Notes to segment information:

The group undertakes software development and consulting, IT infrastructure & IT enabled services which are collectively referred to as 'Services' and sale of software products and services affiliated to these products are referred to as 'Products'. These business have been considered as primary segments. The segment results have been arrived at before charging certain expenses which are unallocable in nature and are shown as SGA. Considering the nature of the group's businesses, the assets and liabilities cannot be identified with any specific business segment. Other income has been added under 'Services' revenue & results

Notes:

a) The above results have been taken on record by the Board of Directors at its meeting held on October 19, 2006.

b) During the quarter ended, the Company issued 162,725 shares pursuant to exercise of stock options

c) Number of investor complaints - (i) pending at the beginning of the quarter - Nil (ii) received during the quarter - Nil (iii) attended during the quarter - Nil, (iv) pending at the end of the quarter - Nil

d) During the quarter the Company acquired 100% shares of G4 Software Technologies (India) Limited and 50.50% shares of Delta Services (India) Private Limited. 3i Consulting Inc. (100% subsidiary of the Company) acquired 100% shares of Edge Technologies Inc. The consolidated results of operations for the quarter include the results of operations of these companies.

e) Pursuant to revision in Accounting Standard - 15 "Employee Benefits" and the transitional provisions therein, the Company has adjusted its General Reserves by Rs 34.50 million (net of deferred tax of Rs 17.51 million in order to give effect to the increase in liability relating to gratuity and leave encashment upto March 31, 2006.

f) As reported in the last quarter, the Company's US Subsidiary had received an arbitration award against it amounting to USD 2.03 million in respect of a claim pursued by a customer. The subsidiary has preferred an appeal against the order. The management of the subsidiary company is confident of recovery of the said amount from the insurance company if the appeal fails. However, as a prudent practice, the Company has provided one third of the total claim including legal expenses in the current quarter.

g) During the quarter, the Company has initiated the process of merger of its wholly owned subsidiaries viz. SDG Software Technologies Limited and Datacons Private Limited with itself and the same is in progress.

h) The Company has subsequent to the quarter end issued 1.50% Foreign Currency Convertible Bonds (FCCB) aggregating to €15 million, at par equivalent to Rs. 884.55 million.

i) Dr. Ashok Jhunjhunwala has been appointed as an Additional Director at the Board Meeting

j) Mr. Bruce Kogut, Director, has been appointed as a Member of the Audit Committee at the Board Meeting

By order of the Board
for 3i Infotech Limited

Mumbai, India
V. Srinivasan
Managing Director & CEO

October 19, 2006