

Audited consolidated financial results of 3i Infotech Limited and its subsidiaries

Particulars	(Rupees in million except otherwise indicated)				
	Year ended		Period ended		
	31.03.2005	31.03.2004	Nine month 31.12.2004	Quarter 31.03.2005	Quarter 31.03.2004
Income:					
Income from operations	2891.82	2291.72	2083.03	808.79	660.00
Other Income	28.53	28.69	19.03	9.50	1.00
	2920.35	2320.41	2102.06	818.29	661.00
Expenditure:					
Cost of revenue	1655.47	1445.83	1188.92	466.55	396.50
Selling, general & admn. Expenses	756.15	705.56	555.54	200.61	189.60
	2411.62	2151.39	1744.46	667.16	586.10
Profit before interest, depreciation & taxes	508.73	169.02	357.60	151.13	74.90
Interest	107.66	72.90	76.62	31.04	22.90
Depreciation	188.41	252.60	139.95	48.46	50.20
Profit before taxation	212.66	(156.48)	141.03	71.63	1.80
Current taxes	12.34	5.98	6.59	5.75	1.00
Deferred taxes	(129.03)	29.12	(119.89)	(9.14)	-
Deferred tax due to re-estimation of useful life of intangibles	41.17	-	41.17	-	-
Deferred tax pertaining to earlier years	(32.96)	(73.38)	(32.96)	-	-
Profit after taxation	321.14	(118.20)	246.12	75.02	0.80
Paid up equity share capital	310.03	309.79	309.93	310.03	309.79
Face value per share (Rs)	10.00	5.00	10.00	10.00	5.00
Earnings per share					
Basic (Rs)	6.89	(3.65)	5.32	1.56	(0.42)
Diluted (Rs)	6.82	(3.65)	5.27	1.55	(0.42)
Items exceeding 10% of the total expenditure :					
Staff cost	982.95	1050.87	723.41	259.54	239.58
Outsourced services & boughtout items	782.86	663.74	565.99	216.87	221.47

Audited financial results of 3i Infotech Limited

Particulars	(Rupees in million except otherwise indicated)				
	Year ended		Period ended		
	31.03.2005	31.03.2004	Nine month 31.12.2004	Quarter 31.03.2005	Quarter 31.03.2004
Income:					
Income from operations	2070.28	1925.99	1496.39	573.89	504.89
Other Income	34.90	27.51	21.09	13.81	15.71
	2105.18	1953.50	1517.48	587.70	520.60
Expenditure:					
Cost of revenue	1270.47	1263.03	912.96	357.51	322.57
Selling, general & admn. Expenses	359.01	309.06	255.54	103.47	91.28
	1629.48	1572.09	1168.50	460.98	413.85
Profit before interest, depreciation & taxes	475.70	381.41	348.98	126.72	106.75
Interest	106.91	72.23	75.51	31.40	21.89
Depreciation	170.07	233.56	122.55	47.52	62.36
Profit before taxation	198.72	75.62	150.92	47.80	22.50
Current taxes	12.79	0.84	6.59	6.20	(0.84)
Deferred taxes	1.66	29.12	6.89	(5.23)	40.11
Deferred tax due to re-estimation of useful life of intangibles	41.17	-	41.17	-	-
Deferred tax pertaining to earlier years	(32.96)	(73.38)	(32.96)	-	(34.83)
Profit after taxation	176.06	119.04	129.23	46.83	18.06
Paid up equity share capital	310.03	309.79	309.93	310.03	309.79
Face value per share (Rs)	10.00	5.00	10.00	10.00	5.00
Reserves excluding revaluation reserves	299.14	290.55	NA	NA	NA
Earnings per share					
Basic (Rs)	2.21	0.17	1.55	0.65	(0.14)
Diluted (Rs)	2.00	0.17	1.42	0.65	(0.14)
Items exceeding 10% of the total expenditure:					
Staff cost	574.14	437.93	370.14	204.00	153.9
Outsourced services & boughtout items	650.18	780.80	464.55	185.63	221.52

Consolidated Segment Reporting

Particulars	Rupees in million			
	Year ended		Quarter ended	
	31.03.2005	31.03.2004	31.03.2005	31.03.2004
Segment revenues:				
Services	1632.45	1595.91	426.02	365.90
Products	1287.90	724.50	392.27	295.10
	2920.35	2320.41	818.29	661.00
Segment results (Gross profit)				
Services	604.01	542.61	149.11	135.38
Products	660.87	331.97	202.63	129.12
	1264.88	874.58	351.74	264.50
Selling and general & admn expenses	756.15	705.56	200.61	189.60
Profit before interest, depreciation & taxes	508.73	169.02	151.13	74.90
Interest	107.66	72.90	31.04	22.90
Depreciation	188.41	252.60	48.46	50.20
Profit before taxation	212.66	(156.48)	71.63	1.80
Current taxes	12.34	5.98	5.75	1.00
Deferred taxes	(129.03)	29.12	(9.14)	-
Deferred tax due to re-estimation of useful life of intangibles	41.17	-	-	-
Deferred tax pertaining to earlier years	(32.96)	(73.38)	-	-
Profit after taxation	321.14	(118.21)	75.02	0.80

Notes to segment information:

- The primary segments are software services and software products
- Selling and general & administrative expenses are common to the segments and are not capable of being allocated.
- Fixed assets and capital employed are interchangeably used across business segments and hence not allocable to any specific segment.

Notes:

- The above audited annual and quarterly results have been taken on record by the Board of Directors at the meeting held on April 22, 2005.
- The name of the Company has been changed from ICICI Infotech Limited to 3i Infotech Limited effective January 20, 2005.
- The Company's IPO for 23,000,000 Equity shares of face value Rs 10 each including a Green Shoe Option for 3,000,000 Equity shares opened on March 30, 2005 and closed on April 4, 2005. The Company in consultation with the Book Running Lead Managers for the IPO, fixed the price per share at Rs 100 and has allotted the shares on April 15, 2005 as per the terms of allotment given in the Prospectus filed with the Registrar of companies. The shares thus allotted rank pari passu with the existing shares of the Company with respect to the dividend proposed by the Company for the year ended March 31, 2005.
- During the year and quarter ended March 31, 2005, the Company issued 23700 and 9800 shares respectively pursuant to exercise of employee stock options.
- The directors have recommended a dividend of Re 1 per share of face value of Rs 10. This is subject to approval by shareholders in the general meeting.
- The company has during the year, reviewed the JV arrangement with M/s INNOVA Business Development and Holding GmbH, Germany and for strategic reasons, has offered to acquire the 50% shareholding held by the JV partner for a consideration of Rs 0.75 millions. The offer has been accepted by the JV partner and the company is in the process of entering into an agreement with the JV partner to give effect to this transaction.
- The company had made a non refundable advance of Rs 115.60 million to M/s IMS, Korea towards royalty payable on sale of their core banking product in India. The company has subsequently entered into an arrangement to acquire the Intellectual Property Rights for this product for certain regions for a consideration of USD 4 million. Pursuant to this, the non refundable advance is appropriated towards the consideration.
- The Company has in terms of the agreement entered into with M/s Insyst Technologies BVI Limited, ascertained the deferred consideration payable under that agreement at USD 3 million and accounted for the same appropriately as "Business & Commercial Rights".
- The Company has during the year re-estimated the remaining useful commercial life of its intangible assets, to a limit of 10 years as prescribed by Accounting Standard 26. Consequently, such assets are amortised by applying the re-estimated commercial life to the written down value as at April 1, 2004. As a result, the charge by way of amortisation for the year is lower by Rs 143.29 million and "Profit before taxation" and written down value as at Balance Sheet date is higher by this amount. The tax impact of such change relating to earlier years of Rs. 41.17 million has been separately disclosed.
- Deferred tax assets have been recognised by the company and its subsidiaries, based on virtual certainty that sufficient future taxable income will be available for realising such deferred tax assets.

 Mumbai, India
 April 22, 2005

 By order of the Board
 for 3i Infotech Limited

 V. Srinivasan
 Managing Director & CEO