

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, 05	Sep 30, 04	Sep 30, 05	Sep 30, 04	Mar 31, 05
Income:					
Income from operations	973.59	692.12	1,858.34	1,322.33	2,891.82
Other Income	10.20	(6.12)	25.00	25.87	28.53
	983.79	686.00	1,883.34	1,348.20	2,920.35
Expenditure:					
Cost of revenue	552.05	396.90	1,054.17	782.50	1,655.47
Selling, general & admn. Expenses	221.92	173.20	438.16	339.30	756.15
	773.97	570.10	1,492.33	1,121.80	2,411.62
Profit before interest, depreciation & taxes	209.82	115.90	391.01	226.40	508.73
Interest	13.22	25.30	35.51	49.30	107.66
Depreciation	73.34	44.75	129.54	89.25	188.41
Profit before taxation	123.26	45.85	225.96	87.85	212.66
Current taxes	1.99	2.15	6.53	4.35	12.34
Fringe benefit tax	2.00	-	4.50	-	-
Deferred taxes	(14.17)	(39.34)	(21.48)	(64.27)	(129.03)
Deferred tax due to re-estimation of useful life of intangibles	-	13.72	-	27.44	41.17
Deferred tax pertaining to earlier years	-	(10.99)	-	(21.98)	(32.96)
Profit after taxation	133.44	80.31	236.41	142.31	321.14
Paid up equity share capital	528.37	309.93	528.37	309.93	310.03
Face value per share (Rs)	10.00	5.00	10.00	5.00	10.00
Earnings per share (after preference dividend)					
Basic (Rs)	2.17	1.73	3.76	2.30	6.89
Diluted (Rs)	2.13	1.70	3.72	2.28	6.82
Aggregate of non-promoter shareholding					
-Number of shares	24,173,717	NA	24,173,717	NA	NA
-Percentage of shareholding	45.75%		45.75%		
Items exceeding 10% of the total expenditure :					
Staff cost	272.87	197.97	556.56	355.22	984.95
Outsourced services & boughtout items	289.26	193.45	503.66	435.90	782.86

Consolidated Segment Reporting

(Rupees in million except otherwise indicated)

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sep 30, 05	Sep 30, 04	Sep 30, 05	Sep 30, 04	Mar 31, 05
Segment revenues:					
Products	443.35	272.00	843.67	513.40	1,287.90
Services	540.44	414.00	1,039.67	834.80	1,632.45
	983.79	686.00	1,883.34	1,348.20	2,920.35
Segment results (Gross profit)					
Products	222.93	133.90	431.01	252.65	660.87
Services	208.81	155.20	398.16	313.05	604.01
	431.74	289.10	829.17	565.70	1,264.88
Selling, general & admn. expenses (SGA)	221.92	173.20	438.16	339.30	756.15
Profit before interest, depreciation & taxes	209.82	115.90	391.01	226.40	508.73
Interest	13.22	25.30	35.51	49.30	107.66
Depreciation	73.34	44.75	129.54	89.25	188.41
Profit before taxation	123.26	45.85	225.96	87.85	212.66
Current taxes	1.99	2.15	6.53	4.35	12.34
Fringe benefit tax	2.00	-	4.50	-	-
Deferred taxes	(14.17)	(39.34)	(21.48)	(64.27)	(129.03)
Deferred tax due to re-estimation of useful life of intangibles	-	13.72	-	27.44	41.17
Deferred tax pertaining to earlier years	-	(10.99)	-	(21.98)	(32.96)
Profit after taxation	133.44	80.31	236.41	142.31	321.14

Notes to segment information:

The group undertakes software development and consulting, IT Infrastructure services and 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 businesses have been considered as primary segments. The segment results have been arrived at before certain expenses, which are unallocable in nature and shown as SGA. Considering the nature of the group's business, the assets and liabilities cannot be identified with any specific business segment.

Audited financial results of 3i Infotech Limited

(Rupees in million except otherwise indicated)

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sep 30, 05	Sep 30, 04	Sep 30, 05	Sep 30, 04	Mar 31, 05
Income:					
Income from operations	719.28	452.01	1,370.61	904.01	2,070.28
Other Income	16.97	10.59	23.78	35.71	34.90
	736.25	462.60	1,394.39	939.72	2,105.18
Expenditure:					
Cost of revenue	406.97	291.07	757.42	575.30	1,270.47
Selling, general & admn. Expenses	174.29	77.16	322.83	150.58	359.01
	581.26	368.23	1,080.25	725.88	1,629.48
Profit before interest, depreciation & taxes	154.99	94.37	314.14	213.84	475.70
Interest	13.94	24.72	33.77	48.50	106.91
Depreciation	56.85	66.71	109.80	129.65	170.07
Profit before taxation	84.20	2.94	170.57	35.69	198.72
Current taxes	2.55	0.63	6.25	2.63	12.79
Fringe benefit tax	2.00	-	4.50	-	-
Deferred taxes	(13.61)	1.35	(2.91)	1.47	1.66
Deferred tax due to re-estimation of useful life of intangibles	-	-	-	-	41.17
Deferred tax pertaining to earlier years	-	-	-	-	(32.96)
Profit after taxation	93.26	0.96	162.73	31.59	176.06
Reserves excluding revaluation reserves					299.14
Paid up equity share capital	528.37	309.93	528.37	309.93	310.03
Face value per share (Rs)	10.00	5.00	10.00	5.00	10.00
Earnings per share (after preference dividend)					
Basic (Rs)	1.41	(0.85)	2.31	(0.79)	2.21
Diluted (Rs)	1.39	(0.85)	2.28	(0.79)	2.00
Aggregate of non-promoter shareholding					
-Number of shares	24,173,717	NA	24,173,717	NA	NA
-Percentage of shareholding	45.75%		45.75%		
Items exceeding 10% of the total expenditure :					
Staff cost	183.28	122.68	378.97	236.87	514.74
Outsourced services & boughtout items	231.20	135.60	391.43	282.78	650.18

Notes:

- The above audited accounts have been taken on record by the Board of Directors at the meeting held on October 28, 2005.
- Out of the proceeds of the Initial Public Offer made by the Company, an amount of Rs 46.52 million still remains to be utilised towards the objects of the issue.
- During the quarter ended 30th September 2005, the Company issued 47,465 shares pursuant to exercise of stock options.
- Consolidated financial results for quarter and half year ended September 30, 2004 are unaudited.
- Number of investor complaints - (i) pending at the beginning of the quarter NIL; (ii) received during the quarter - 15; (iii) attended during the quarter - 15; (iv) pending at the end of the quarter - NIL.
- During the quarter, the group acquired M/s Innovative Business Solutions Inc, a company in the United States of America engaged in the business of software services and consulting. The above results pertaining to the group do not include the results of operations of M/s Innovative Business Solutions for the six months ended September 30, 2005 as the share transfer process was not completed by September 30, 2005.
- Depreciation and deferred tax figures for quarter and half year ended September 30, 2004 as reported under audited financial results of 3i Infotech Limited (standalone basis) are prior to re-estimation of useful life of intangible assets.

By order of the Board
for 3i Infotech Limited

Chennai, India
October 28, 2005

V. Srinivasan
Managing Director & CEO