

## 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		Year Ended March 31, 2007
	June 30, 2007	June 30, 2006	
<b>Income:</b>			
Income from operations	2,602.61	1,284.63	6,553.17
Other Income	39.09	47.53	154.55
	<b>2,641.70</b>	<b>1,332.16</b>	<b>6,707.72</b>
<b>Expenditure:</b>			
Cost of revenue	1,417.28	697.14	3,521.75
Selling, general & admn. Expenses	560.79	294.13	1,446.12
	<b>1,978.07</b>	<b>991.27</b>	<b>4,967.87</b>
<b>Profit before interest, depreciation &amp; taxes</b>	<b>663.63</b>	<b>340.89</b>	<b>1,739.85</b>
Software Development Cost	77.68	-	263.73
Interest	102.87	31.87	208.99
Depreciation	47.81	78.71	168.84
<b>Profit before taxation</b>	<b>435.27</b>	<b>230.31</b>	<b>1,098.29</b>
Current taxes (including Fringe Benefit Tax)	57.40	9.03	44.25
Deferred taxes	(2.85)	10.36	9.20
Deferred/current tax pertaining to earlier years	1.09	-	-
MAT credit entitlement	(23.65)	(2.62)	-
<b>Profit after taxation</b>	<b>403.28</b>	<b>213.54</b>	<b>1,044.84</b>
Add: Exceptional / extraordinary Items	-	-	120.06
<b>Profit after Exceptional items</b>	<b>403.28</b>	<b>213.54</b>	<b>1,164.90</b>
Less: Provision for Contingency	-	-	(120.06)
<b>Profit after Provision for Contingency</b>	<b>403.28</b>	<b>213.54</b>	<b>1,044.84</b>
Minority interest	11.20	-	7.36
<b>Profit after minority interest and exceptional/ extraordinary items / Provision for contingency</b>	<b>392.08</b>	<b>213.54</b>	<b>1,037.48</b>
Paid up equity share capital	619.12	531.62	562.99
Face value per share (Rs)	10.00	10.00	10.00
<b>Earnings per share (Before exceptional Items)</b>			
Basic (Rs)	6.41	3.68	17.98
Diluted (Rs)	5.91	3.53	17.37
<b>Earnings per share (After exceptional Items)</b>			
Basic (Rs)	6.41	3.68	17.98
Diluted (Rs)	5.91	3.53	17.37
<b>Items exceeding 10% of the total expenditure:</b>			
Staff cost	991.54	491.33	2,475.80
Outsourced services & boughtout items	519.91	237.78	1,159.32

### Consolidated Segment Reporting

(Rupees in million except otherwise indicated)

Particulars	Quarter Ended		Year Ended March 31, 2007
	June 30, 2007	June 30, 2006	
<b>Segment Revenues:</b>			
Products	1218.72	627.63	3,319.25
Services	1422.98	704.53	3,388.47
	<b>2,641.70</b>	<b>1,332.16</b>	<b>6,707.72</b>
<b>Segment Results (Gross Profit)</b>			
Products	669.44	329.66	1802.29
Services	554.98	305.36	1383.68
	<b>1,224.42</b>	<b>635.02</b>	<b>3,185.97</b>
Selling, general & admn. Expenses	560.79	294.13	1,446.12
<b>Profit before interest, depreciation &amp; taxes</b>	<b>663.63</b>	<b>340.89</b>	<b>1,739.85</b>
Software Development Cost	77.68	-	263.73
Interest	102.87	31.87	208.99
Depreciation	47.81	78.71	168.84
<b>Profit before taxation</b>	<b>435.27</b>	<b>230.31</b>	<b>1,098.29</b>
Current taxes(including Fringe Benefit Tax)	57.40	9.03	44.25
Deferred taxes	(2.85)	10.36	9.20
Deferred/current tax pertaining to earlier years	1.09	-	-
MAT credit entitlement	(23.65)	(2.62)	-
<b>Profit after taxation</b>	<b>403.28</b>	<b>213.54</b>	<b>1,044.84</b>
Add: Exceptional / extraordinary Items	-	-	120.06
Profit after Exceptional items	403.28	213.54	1,164.90
Less: Provision for Contingency	-	-	(120.06)
<b>Profit after Provision for Contingency</b>	<b>403.28</b>	<b>213.54</b>	<b>1,044.84</b>
Minority interest	11.20	-	7.36
<b>Profit after minority interest and exceptional / extraordinary items / Provision for contingency</b>	<b>392.08</b>	<b>213.54</b>	<b>1,037.48</b>

#### 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 businesses 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.

### Audited financial results of 3i Infotech Limited

(Rupees in million except otherwise indicated)

Particulars	Quarter Ended		Year Ended March 31, 2007
	June 30, 2007	June 30, 2006	
<b>Income:</b>			
Income from operations	1,188.14	782.25	3,323.70
Other Income	37.18	40.77	155.38
	<b>1,225.32</b>	<b>823.02</b>	<b>3,479.08</b>
<b>Expenditure:</b>			
Cost of revenue	552.61	382.90	1,533.95
Selling, general & admn. Expenses	249.73	201.23	880.91
	<b>802.34</b>	<b>584.13</b>	<b>2,414.86</b>
<b>Profit before interest, depreciation &amp; taxes</b>	<b>422.98</b>	<b>238.89</b>	<b>1,064.22</b>
Software Development Cost	77.68	-	231.78
Interest	83.70	26.62	184.29
Depreciation	40.36	74.12	137.68
<b>Profit before taxation</b>	<b>221.24</b>	<b>138.15</b>	<b>510.47</b>
Current taxes (including Fringe Benefit Tax)	25.71	5.02	10.13
Deferred taxes	2.92	13.56	5.95
Deferred/current tax pertaining to earlier years	1.08	-	-
MAT credit entitlement	(22.71)	(2.62)	-
<b>Profit after taxation</b>	<b>214.24</b>	<b>122.19</b>	<b>494.39</b>
Add: Exceptional / extraordinary Items	-	-	268.59
<b>Profit after Exceptional items</b>	<b>214.24</b>	<b>122.19</b>	<b>762.98</b>
Less: Provision for Contingency	-	-	(120.06)
<b>Profit after Provision for Contingency</b>	<b>214.24</b>	<b>122.19</b>	<b>642.92</b>
Minority interest	-	-	-
<b>Profit after minority interest and exceptional/ extraordinary items / Provision for contingency</b>	<b>214.24</b>	<b>122.19</b>	<b>642.92</b>
Reserves excluding revaluation reserves	NA	NA	3,053.53
Paid up equity share capital	619.12	531.62	562.99
Face value per share (Rs)	10.00	10.00	10.00
<b>Earnings per share (Before exceptional Items)</b>			
Basic (Rs)	3.36	1.96	7.86
Diluted (Rs)	3.10	1.88	7.60
<b>Earnings per share (After exceptional Items)</b>			
Basic (Rs)	3.36	1.96	10.63
Diluted (Rs)	3.10	1.88	10.27
<b>Items exceeding 10% of the total expenditure:</b>			
Staff cost	415.86	246.23	886.43
Outsourced services & boughtout items	241.21	151.19	607.65

#### Notes:

- The above audited accounts have been taken on record by the Board of Directors at their meeting held on July 25, 2007.
- During the quarter ended June 30, 2007, the Company launched an offering of US\$100 million Foreign Currency Convertible Bonds (FCCBs).
- During the quarter ended June 30, 2007, the Company issued 188,427 shares pursuant to exercise of Stock options and 5,425,195 shares pursuant to the conversion of the FCCBs.
- 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.
- The Board of Directors have accepted the resignation of Ms. Madhabi Puri Buch with effect from June 1, 2007. The vacancy caused by her resignation has been filled by the Board by appointing Ms. Vishakha Mulye as a Director pursuant to Section 262 of the Companies Act, 1956.
- The Board of Directors at its meeting held on April 25, 2007 recommended a 1:1 bonus issue for all shareholders i.e. one additional equity share for every one existing equity share held by the Members by capitalizing a part of the reserves. The bonus issue is subject to approval of the Members. The record date for the bonus issue has been fixed as August 28, 2007.
- During the quarter ended June 30, 2007, the Company has acquired 50.5% stake in aok in-house BPO Services Limited and aok in-house Factoring Services Private Limited and 60% in KNM Services Pvt. Ltd.
- In terms of the amendment made by Finance Act 2007, shares allotted under Employee Stock Option Scheme (ESOS) are to be considered for the purposes of Fringe Benefit Tax. The method for calculating fair market value is yet to be prescribed. Further, as the company's ESOS policy provides for recovery of taxes from employees; the company does not expect any significant impact due to such change.

By order of the Board  
for 3i Infotech Limited

Mumbai, India  
July 25, 2007

V. Srinivasan  
Managing Director & CEO