

Audited Consolidated Financial Results of 3i Infotech Limited and its Subsidiaries

Particulars	(Rupees in million except otherwise indicated)				
	Year Ended		Period Ended		
	31.03.07	31.03.06	Nine Months 31.12.06	Quarter 31.03.07	Quarter 31.03.06
Income:					
Income from operations	6,553.17	4,178.14	4,451.24	2,101.93	1,199.85
Other Income	154.55	62.33	146.83	7.72	16.01
	6,707.72	4,240.47	4,598.07	2,109.65	1,215.86
Expenditure:					
Cost of revenue	3,521.75	2,350.90	2,399.39	1,122.36	667.34
Selling, general & admn. Expenses(SGA)	1,446.12	969.60	991.16	454.96	277.02
	4,967.87	3,320.50	3,390.55	1,577.32	944.36
Profit before interest, depreciation & taxes	1,739.85	919.97	1,207.52	532.33	271.50
Software Development Cost	263.73	-	190.86	72.87	-
Interest	208.99	79.78	147.77	61.22	24.75
Depreciation	168.84	260.53	110.70	58.14	64.90
Profit before taxation	1,098.29	579.66	758.19	340.10	181.85
Current taxes (Including Fringe Benefit Tax)	44.25	22.38	32.59	11.66	11.69
Deferred taxes	9.20	(9.73)	1.39	7.81	2.25
Deferred / current tax pertaining to earlier years	-	(0.22)	-	-	1.60
MAT Credit entitlement	-	(9.41)	(0.18)	0.18	(9.41)
Profit after taxation	1,044.84	576.64	724.39	320.45	175.72
Add: Exceptional / extraordinary items (refer note no. g)	120.06	-	120.06	-	-
Profit after Exceptional items	1,164.90	576.64	844.45	320.45	175.72
Less: Provision for Contingency (refer note no. h)	(120.06)	-	(120.06)	-	-
Profit after Provision for Contingency	1,044.84	576.64	724.39	320.45	175.72
Minority interest	7.36	2.27	9.10	(1.74)	0.56
Profit after minority interest and exceptional / extraordinary items/Provision for contingency	1,037.48	574.37	715.29	322.19	175.16
Paid up equity share capital	562.99	530.45	534.22	562.99	530.45
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00
Earnings per share (Before exceptional items)					
Basic (Rs)	17.98	9.51	12.41	5.72	3.00
Diluted (Rs)	17.37	9.14	11.98	5.20	2.87
Earning per share (After exceptional items)					
Basic (Rs.)	17.98	9.51	12.41	5.72	3.00
Diluted (Rs.)	17.37	9.14	11.98	5.20	2.87
Aggregate of Public shareholding					
No. of shares	30,484,785	24,381,522	27,607,926	30,484,785	24,381,522
Percentage of shareholdings	54.15%	45.96%	51.68%	54.15%	45.96%
Items exceeding 10% of the total expenditure:					
Staff cost	2,475.80	1,409.48	1,680.19	795.61	451.14
Outsourced services & boughtout items	1,159.32	1,044.81	781.14	378.18	219.36

Audited Financial Results of 3i Infotech Limited

Particulars	(Rupees in million except otherwise indicated)				
	Year Ended		Period Ended		
	31.03.07	31.03.06	Nine Months 31.12.06	Quarter 31.03.07	Quarter 31.03.06
Income:					
Income from operations	3,323.70	2,760.34	2,368.92	954.78	693.69
Other Income	155.38	59.02	150.51	4.87	14.35
	3,479.08	2,819.36	2,519.43	959.65	708.04
Expenditure:					
Cost of revenue	1,533.95	1,444.49	1,100.88	433.07	326.95
Selling, general & admn. Expenses	880.91	661.66	688.03	192.88	163.61
	2,414.86	2,106.15	1,788.91	625.95	490.56
Profit before interest, depreciation & taxes	1,064.22	713.21	730.52	333.70	217.48
Software Development Cost	231.78	-	166.95	64.83	-
Interest	184.29	66.41	117.39	66.90	18.84
Depreciation	137.68	236.77	95.19	42.49	61.98
Profit before taxation	510.47	410.03	350.99	159.48	136.66
Current taxes (Including Fringe Benefit Tax)	10.13	19.24	7.60	2.53	9.61
Deferred taxes	5.95	8.29	2.96	2.99	1.69
Deferred / current tax pertaining to earlier years	-	(0.22)	-	-	1.60
MAT Credit entitlement	-	(9.41)	-	-	(9.41)
Profit after taxation	494.39	392.13	340.43	153.96	133.17
Add: Exceptional / extraordinary items (refer note no. g)	268.59	-	268.59	-	-
Profit after Exceptional items	762.98	392.13	609.02	153.96	133.17
Less: Provision for Contingency (refer note no. h)	(120.06)	-	(120.06)	-	-
Profit after Provision for Contingency	642.92	392.13	488.96	153.96	133.17
Minority interest	-	-	-	-	-
Profit after minority interest and exceptional / extraordinary items/Provision for contingency	642.92	392.13	488.96	153.96	133.17
Reserves Excluding Revaluation Reserves	3,053.53	2,191.74	NA	NA	NA
Paid up equity share capital	562.99	530.45	534.22	562.99	530.45
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00
Earnings per share (Before exceptional items)					
Basic (Rs)	7.86	5.99	5.37	2.59	2.20
Diluted (Rs)	7.60	5.76	5.18	2.35	2.10
Earning per share (After exceptional items)					
Basic (Rs.)	10.63	5.99	8.16	2.59	2.20
Diluted (Rs.)	10.27	5.76	7.87	2.35	2.10
Aggregate of Public shareholding					
No. of shares	30,484,785	24,381,522	27,607,926	30,484,785	24,381,522
Percentage of shareholdings	54.15%	45.96%	51.68%	54.15%	45.96%
Items exceeding 10% of the total expenditure:					
Staff cost	886.43	743.66	720.99	165.45	143.60
Outsourced services & boughtout items	607.65	722.11	408.61	199.04	173.52

Consolidated Segment Reporting

Particulars	(Rupees in million)				
	Year Ended		Period Ended		
	31.03.07	31.03.06	Nine Months 31.12.06	Quarter 31.03.07	Quarter 31.03.06
Segment Revenues:					
Products	3,319.25	1,951.58	2,243.28	1,075.97	580.31
Services	3,388.47	2,288.89	2,354.79	1,033.68	635.55
	6,707.72	4,240.47	4,598.07	2,109.65	1,215.86
Segment Results (Gross Profit)					
Products	1,802.29	1,022.33	1,222.59	579.70	305.63
Services	1,383.68	867.24	976.09	407.59	242.89
	3,185.97	1,889.57	2,198.68	987.29	548.52
Selling, general & admn. Expenses	1,446.12	969.60	991.16	454.96	277.02
Profit before interest, depreciation & taxes	1,739.85	919.97	1,207.52	532.33	271.50
Software Development Cost	263.73	-	190.86	72.87	-
Interest	208.99	79.78	147.77	61.22	24.75
Depreciation	168.84	260.53	110.70	58.14	64.90
Profit before taxation	1,098.29	579.66	758.19	340.10	181.85
Current taxes (Including Fringe Benefit Tax)	44.25	22.38	32.59	11.66	11.69
Deferred taxes	9.20	(9.73)	1.39	7.81	2.25
Deferred / current tax pertaining to earlier years	-	(0.22)	-	-	1.60
MAT Credit entitlement	-	(9.41)	(0.18)	0.18	(9.41)
Profit after taxation	1,044.84	576.64	724.39	320.45	175.72
Add: Exceptional / extraordinary items (refer note no. g)	120.06	-	120.06	-	-
Profit after Exceptional items	1,164.90	576.64	844.45	320.45	175.72
Less: Provision for Contingency (refer note no. h)	(120.06)	-	(120.06)	-	-
Profit after Provision for Contingency	1,044.84	576.64	724.39	320.45	175.72
Minority interest	7.36	2.27	9.10	(1.74)	0.56
Profit after minority interest and exceptional / extraordinary items/ Provision for contingency	1,037.48	574.37	715.29	322.19	175.16

Notes to segment information:

The group undertakes software development and consulting, IT infrastructure services, IT enabled services and BPO 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.

Notes:

- The above audited accounts have been taken on record by the Board of Directors at their meeting held on April 25, 2007.
- During the quarter ended March 31, 2007, the Company launched an offering of €30 million Foreign Currency Convertible Bonds which closed on April 2, 2007. The bonds have been listed on the Singapore Stock Exchange.
- During the quarter ended March 31, 2007, the Company issued 973,237 shares pursuant to exercise of stock options.
- Number of investor complaints : (i) pending at the beginning of the quarter: NIL (ii) received during the quarter: 2 (iii) attended during the quarter: 2 (iv) pending at the end of the quarter: NIL
- The merger of SDG Software Technologies Limited and Datacons Private Limited with the Company is in process.
- The entire funds raised by the Company through IPO have been utilised and no IPO funds are lying unutilised as on March 31, 2007
- Exceptional items in consolidated accounts comprise of re-instatement in value and transfer of investment in / of a subsidiary - Rs. 1250.00 million. Software development costs / Software development meant for sale capitalized in earlier years written off (due to change in accounting policy), Rs. 1210.27 million, deferred tax liability reversal of Rs. 250.11 million and amount on account of settlement of arbitration / claims Rs. 169.78 million.
- As a matter of prudence, the Parent Company has made provision of Rs. 120.06 million for contingencies such as customer / arbitration claims, penalties contract losses etc.
- As a consequence of note (g) and (h) above, the results for the current quarter / period are not comparable with the results of the corresponding previous quarter / period.
- 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 record date is to be fixed by the Board. The bonus issue is subject to approval of the Members.
- The Board of Directors at their meeting held on April 25, 2007 has recommended an equity dividend of Rs. 2 per share of face value of Rs. 10.00. Payment of the dividend is subject to approval of the Members.

 By order of the Board
 for 3i Infotech Limited

 Mumbai, India
 April 25, 2007

V. Srinivasan
 Managing Director & CEO