



Audited Consolidated Financial Results of 3i Infotech Limited

(Rupees in Lacs)

Particulars	3 months ended (31/12/2009)	Corresponding 3 months ended in the previous year (31/12/2008)	Year to Date figures for current period ended (31/12/2009)	Year to date figures for the previous period ended (31/12/2008)	Previous accounting year ended (31/03/2009)
	Audited	Audited	Audited	Audited	Audited
1 Net Sales/Income from Operations	59,621	60,882	182,025	167,888	228,564
2 Expenditure					
a. Employees cost	30,781	27,579	89,027	73,253	99,709
b. Depreciation and Amortisation	2,189	1,957	8,090	4,672	7,006
c. Other expenditure	16,877	22,303	57,094	63,097	85,413
d. Total	49,847	51,839	154,211	141,022	192,128
Item exceeding 10% of the total expenditure : Cost of third party products / outsourced services & boughtout items	9,733	13,438	35,104	37,460	51,266
3 Profit from Operations before Other income, Interest & Exceptional Items (1-2)	9,774	9,043	27,814	26,866	36,436
4 Other Income	565	678	1,590	1,522	1,906
5 Profit before Interest & Exceptional Items (3+4)	10,339	9,721	29,404	28,388	38,342
6 Interest	3,622	2,535	10,672	6,701	9,495
7 Profit after Interest but before exceptional items (5-6)	6,717	7,186	18,732	21,687	28,847
8 Add : Exceptional Income	-	-	2,919	-	7,705
9 Less : Exceptional Expenditure (Refer Note no.f)	(1,092)	-	(1,225)	-	(5,109)
10 Profit (+) / Loss (-) from Ordinary Activities before tax (7+8-9)	5,625	7,186	20,426	21,687	31,443
11 Tax expense	572	212	569	1,710	2,205
12 Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	5,053	6,974	19,857	19,977	29,238
13 Extraordinary Item	-	-	-	-	-
14 Less / (add): Minority Interest	(1,043)	522	(207)	825	1,062
15 Add: Share of profit in Associate	-	-	-	-	25
16 Net Profit after minority interest (12-13-14+15)	6,096	6,452	20,064	19,152	28,201
17 Paid-up equity share capital	16,869	13,075	16,869	13,075	13,075
Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
18 Reserves excluding Revaluation Reserves	-	-	-	-	80,626
19 Earnings Per Share (EPS)					
Earnings Per Share (before exceptional items)					
Basic (Rs)	4.15	4.79	12.35	14.23	19.02
Diluted (Rs)	4.09	4.79	12.19	13.94	19.02
Earnings Per Share (after exceptional items)					
Basic (Rs)	3.50	4.79	13.52	14.23	21.01
Diluted (Rs)	3.46	4.79	13.35	13.94	21.01
20 Public Shareholding					
Number of shares	128,858,006	79,123,038	128,858,006	79,123,038	79,123,038
Percentage of shareholding	76.39%	60.51%	76.39%	60.51%	60.51%
21 Promoters and promoter group Shareholding					
a) Pledged/Encumbered					
- Number of shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	39,836,190	51,627,908	39,836,190	51,627,908	51,627,908
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	23.61%	39.49%	23.61%	39.49%	39.49%

Consolidated Segment Reporting

(Rupees in Lacs)

Particulars	3 months ended (31/12/2009)	Corresponding 3 months ended in the previous year (31/12/2008)	Year to Date figures for current period ended (31/12/2009)	Year to date figures for the previous period ended (31/12/2008)	Previous accounting year ended (31/03/2009)
	Audited	Audited	Audited	Audited	Audited
1 Segment Revenue					
a Software Products	19,306	20,284	58,067	60,218	81,123
b IT/IT Enabled Services	16,466	19,729	56,870	57,204	74,817
c Transaction Services	23,849	20,869	67,088	50,466	72,624
Total Net sales/Income From Operations (a+b+c)	59,621	60,882	182,025	167,888	228,564
2 Segment Results (Gross Profit)					
a Software Products	10,217	10,573	29,620	32,456	43,912
b IT/IT Enabled Services	6,401	6,923	22,985	20,687	27,089
c Transaction Services	7,809	6,124	21,002	14,692	20,985
Total	24,427	23,620	73,607	67,835	91,986
Less: Selling and Other expenses	12,464	12,620	37,703	36,297	48,544
Interest	3,622	2,535	10,672	6,701	9,495
Depreciation & Amortisation	2,189	1,957	8,090	4,672	7,006
Add: Un-allocable income	565	678	1,590	1,522	1,906
Total Profit Before Tax	6,717	7,186	18,732	21,687	28,847

The group undertakes sale of software products & services affiliated to these products referred to as 'Products', software development and consulting, IT infrastructure services and IT enabled services collectively referred to as 'IT/IT Enabled Services' and BPO related services referred to as 'Transaction Services'. 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 Selling & Other expenses. Considering the nature of the group's businesses, the assets and liabilities cannot be identified with any specific business segment and hence, the figures for capital employed have not been provided.

Notes:

- The above results have been taken on record by the Board of Directors at its Meeting held on January 22, 2010. There are no qualifications in the auditors' report. The information presented above is extracted from the audited interim financial statements.
- Number of investor complaints - (i) pending at the beginning of the quarter - Nil (ii) received during the quarter - 1 (iii) attended during the quarter - 1 (iv) pending at the end of the quarter - Nil.
- During the current quarter, the Parent Company allotted 2,54,650 shares pursuant to the exercise of stock options.
- (i) During the current quarter, the Parent Company acquired a further 49% stake in Taxsmile.com India Private Limited thereby making it a 100% Subsidiary and also a further 25% stake in Locuz Enterprise Solutions Limited, taking the Parent Company's stake to 51%.
(ii) During the current quarter, 3i Infotech Holdings Private Limited, Mauritius, a direct subsidiary of the Parent Company signed a closing agreement to acquire 49% shareholding in Professional Access Ltd and Black Barrel Holdings Limited, thereby making both 100% Subsidiaries.
(iii) In June 2009, an Equity Transfer Agreement was signed between the Parent Company and Yucheng Technologies Limited, China (the Joint Venture Partner), whereby, the 49% interest held by Yucheng in Elegon Infotech Limited, was acquired by the Parent Company and after obtaining necessary approvals in November 2009, it has become a wholly-owned subsidiary.
- Pursuant to the shareholders' approval at the Annual General Meeting held on July 28, 2009, the Committee of the Board of Directors of the Company had, at its meeting held on September 25, 2009, issued and allotted 37,500,000 fully paid-up Equity Shares, at a price of Rs.84.75 per Equity Share (including a premium of Rs.74.75 per Equity Share), aggregating to Rs. 31781 lacs. Out of the said proceeds, Rs. 26490 lacs have been applied towards the objects of issue (including Rs.1053 lacs of the issue expenses) and the balance of Rs. 5291 lacs which is yet to be utilised is parked in short term liquid investments.
- Commencing from March 2007, the Parent Company had entered into agreements with some State Governments towards setting up and operating Citizen Service Centers across those states for providing certain government services as well as non-government retail services to consumers. The total investment made by the Company in setting up these centers including the amount lying in Capital Work-in-Progress as on December 31, 2009 is Rs. 32578 lacs. During the current quarter, the Parent Company decided to exit from the Master Service Agreements (MSA) of some of the State Governments by paying a compensation of Rs. 1092 lacs under these contracts which has been charged fully to the Profit & Loss account and disclosed as an exceptional item. The Parent Company however, continues to provide non-government retail services in those states. Further, during the current quarter, for the assets not being used for government services on account of the above said exit from MSAs and upon release from obligations with regard to surrender of those assets to State Governments, the estimated useful life has been re-assessed with effect from April 1, 2009. This has resulted in a write back of depreciation of Rs. 792 lacs. These assets are consequently classified as normal business assets and are expected to have economic useful life longer than the five year period estimated earlier.
- Figures for the previous period / year are not comparable in view of interalia acquisitions as mentioned in para (d) above and have been re-grouped / re-arranged, wherever considered necessary, to conform to current periods' presentation.
- The standalone financial results will be available on the NSE website www.nseindia.com and the BSE website www.bseindia.com.

Mumbai, India
January 22, 2010

By order of the Board
for 3i Infotech Limited

V. Srinivasan
Managing Director & CEO

3i Infotech Limited

Regd. Office: Tower # 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703
Website: www.3i-infotech.com Email: marketing@3i-infotech.com

Banking • Insurance • Asset Management & Capital Markets • Application Development & Maintenance • Transaction Services • Managed IT Services • eGovernance

SOUTH ASIA • NORTH AMERICA • MIDDLE EAST, AFRICA, RUSSIA & CIS • WESTERN EUROPE • ASIA PACIFIC