



3i Infotech Limited

Regd office: Tower # 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai 400 703

Part I : Statement of Consolidated Audited Financial Results for the year ended March 31, 2012

(Rupees in Lacs)

Particulars	3 months ended (31/03/2012) Audited	Preceeding 3 months ended (31/12/2011) Audited	Corresponding 3 months ended in the previous year (31/03/2011) Audited	Year to Date figures for current year ended (31/03/2012) Audited	Figures for Previous Year Ended 31/03/2011 Audited
1 Net Sales/Income from Operations	35,377	35,015	65,161	168,102	256,975
2 Expenses					
a. Employee benefits expense	24,961	23,642	29,720	95,207	123,339
b. Depreciation and amortisation expense	2,596	5,057	2,372	10,917	10,050
c. Item exceeding 10% of the total expenses :					
Cost of third party products / outsourced services & boughtout items	5,342	5,640	12,730	22,592	45,364
d. Other expenses	5,819	5,493	9,513	28,307	35,798
Total Expenses	38,718	39,832	54,335	157,023	214,551
3 Profit (+)/ Loss (-) from operations before other income, finance costs and exceptional items (1-2)	(3,341)	(4,817)	10,826	11,079	42,424
4 Other Income	2,771	687	185	4,957	1,773
5 Profit (+)/ Loss (-) from ordinary activities before finance costs and exceptional items (3+4)	(570)	(4,130)	11,011	16,036	44,197
6 Finance costs	5,619	7,224	4,830	23,290	18,076
7 Profit (+) / Loss (-) from ordinary activities after finance costs but before exceptional items (5-6)	(6,189)	(11,354)	6,181	(7,254)	26,121
8 (Less) : Exceptional Items	(15,641)	-	-	(18,142)	-
9 Profit (+)/ Loss (-) from ordinary activities before tax (7-8)	(21,830)	(11,354)	6,181	(25,396)	26,121
10 Less / (Add): Tax expense	4,817	2,433	(161)	8,077	764
11 Net Profit (+)/Loss(-) from ordinary activities after tax (9-10)	(26,647)	(13,787)	6,342	(33,473)	25,357
12 Add / (Less) : Impact of Discontinuing Operations	(2,673)	-	-	(2,267)	-
13 Add: Share of profit in Associate	-	-	-	-	-
14 (Less)/Add: Minority Interest	(61)	35	(31)	(263)	(106)
15 Net Profit (+) / Loss (-) after taxes, minority interest and discontinuing operations (11-12+13+14)	(29,381)	(13,752)	6,311	(36,003)	25,251
16 Paid-up equity share capital	19,199	19,199	19,199	19,199	19,199
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00
17 Reserves excluding Revaluation Reserves (including Securities Premium)				52,653	99,817
18 Earnings Per Share (EPS)					
Earnings Per Share (before exceptional Items and discontinuing operations)					
Basic (Rs.)	(6.15)	(7.26)	3.25	(8.51)	12.81
Diluted (Rs.)	(6.15)	(7.26)	3.24	(8.51)	12.75
Earnings Per Share (after exceptional Items and discontinuing operations)					
Basic (Rs.)	(15.69)	(7.26)	3.25	(19.14)	12.81
Diluted (Rs.)	(15.69)	(7.26)	3.24	(19.14)	12.75



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Part II : Select information for the quarter and year ended March 31, 2012

(Rupees in Lacs)

Particulars		3 months ended (31/03/2012) Audited	Preceeding 3 months ended (31/12/2011) Audited	Corresponding 3 months ended in the previous year (31/03/2011) Audited	Year to Date figures for current year ended (31/03/2012) Audited	Figures for Previous Year Ended 31/03/2011 Audited
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	Number of shares	152,950,359	152,950,359	152,860,359	152,950,359	152,950,359
	Percentage of shareholding	79.67%	79.67%	79.67%	79.67%	79.67%
2	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	-	-	-	-	-
	- 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	39,036,190	39,036,190	39,036,190	39,036,190	39,036,190
	- 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)	20.33%	20.33%	20.33%	20.33%	20.33%
B	INVESTOR COMPLAINTS					
	For the 3 months ended March 31, 2012:					
	Pending at the beginning of the quarter	NIL				
	Received during the quarter	NIL				
	Disposed of during the quarter	NIL				
	Remaining unresolved at the end of the quarter	NIL				

Consolidated Statement of Assets and Liabilities



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(Rupees in Lacs)

Particulars		As at 31/03/2012 Audited	As at 31/03/2011 Audited
A	EQUITY AND LIABILITIES		
	1 Shareholders' funds		
	a. Share capital	29,199	29,199
	b. Reserves and surplus	52,653	99,817
	Shareholders' funds	81,852	129,016
	2 Share application money pending allotment	34,476	-
	3 Minority interest	403	140
	4 Non-current liabilities		
	a. Long-term borrowings	170,159	145,033
	b. Deferred tax liabilities	166	212
	c. Other long term liabilities	20,323	15,546
	d. Long-term provisions	-	-
	Non-current liabilities	190,648	160,791
	5 Current liabilities		
	a. Short-term borrowings	28,703	54,897
	b. Trade payables	34,736	28,025
	c. Other current liabilities	32,358	45,945
	d. Short-term provisions	3,278	6,358
	Current liabilities	99,075	135,225
	TOTAL EQUITY AND LIABILITIES	406,454	425,172
B	ASSETS		
	1 Non-current assets		
	a. Fixed assets		
	(i) Tangible assets	44,965	17,871
	(ii) Intangible assets	53,794	16,259
	b. Goodwill arising on consolidation	150,006	183,389
	c. Non-current investments	2,511	2,863
	d. Deferred tax assets	10,548	12,261
	e. Long-term loans and advances	29,213	51,182
	f. Other non-current assets	45	2,141
	Non-current assets	291,082	285,966
	2 Current assets		
	a. Inventories	160	486
	b. Trade receivables	45,572	64,336
	c. Cash and bank balances	10,751	20,281
	d. Short-term loans and advances	18,580	21,263
	e. Other current assets	40,309	32,840
	Current assets	115,372	139,206
	TOTAL ASSETS	406,454	425,172

Consolidated Segment Reporting



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(Rupees in Lacs)

Particulars	3 months ended (31/03/2012) Audited	Preceeding 3 months ended (31/12/2011) Audited	Corresponding 3 months ended in the previous year (31/03/2011) Audited	Year to Date figures for current year ended (31/03/2012) Audited	Figures for Previous Year Ended 31/03/2011 Audited
1 Segment Revenue					
a IT Solutions	33,486	32,853	47,565	158,980	174,981
b Transaction Services	1,891	2,162	17,596	9,122	81,994
Total Net sales/Income From Operations (a+b)	35,377	35,015	65,161	168,102	256,975
2 Segment Results (Gross Profit)					
a IT Solutions	7,132	9,313	21,672	56,351	80,765
b Transaction Services	390	511	5,147	2,828	24,581
Total	7,522	9,824	26,819	59,179	105,346
Less: Selling and Other expenses	8,267	9,584	13,621	37,183	52,872
Finance costs	5,619	7,224	4,830	23,290	18,076
Depreciation & Amortisation	2,596	5,057	2,372	10,917	10,050
Add: Un-allocable income	2,771	687	185	4,957	1,773
Total Profit (+) / Loss (-) Before Tax	(6,189)	(11,354)	6,181	(7,254)	26,121

The group undertakes sale of software products & services affiliated to these products, software development and consulting and IT infrastructure services collectively referred to as 'IT Solutions' and IT enabled services referred to as 'Transaction Services'. These businesses have been considered as primary segments. The segment results have been arrived at before allocating certain expenses which are unallocable in nature and are disclosed 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:

- a) The above results have been reviewed by the Audit Committee, and the same have been approved by the Board of Directors at their Meeting held on May 16, 2012.
- b) Towards the end of the previous quarter, the Parent Company approached Corporate Debt Restructuring ("CDR") cell to recast its debt obligations. A Letter of Approval was issued by the CDR cell on 29th March 2012, based on which all the lenders connected with the proposal signed a Master Restructuring Agreement ("MRA") dated 30th March 2012. As per the CDR package, 15% of the secured loans and 20% of the unsecured loans will be converted to equity, besides a moratorium on interest payments for a period of 18 months and moratorium of 24 months on principal payments from the cutoff date, viz Oct 1, 2011. A common pool of security will be created and the lenders will have charge on those assets in a structured manner as enumerated in the MRA. The Company is in the process of creating necessary security charge as envisaged in the package.
- c) The Company is negotiating for restructuring of debts aggregating to Rs. 11,378 lacs owed to two banks who were not a part of the CDR.
- d) Consequent to the approval of the CDR, excess interest of Rs. 527 lacs provided in the previous quarter has been reversed and credited to interest expense in the current quarter.
- e) On 22nd March 2012, the Company launched an Exchange Offer for the Third and Fourth series of Foreign Currency Convertible Bonds (FCCBs) whereby the Company offered a new series of FCCBs to the existing bond holders on surrender of the earlier series of FCCBs. Out of the Third Issue, 100% of the bond holders and out of the Fourth Issue, 96.33% of the bond holders have surrendered the earlier series of the FCCBs in exchange for the new series of FCCBs, which is effective from April 26, 2012. Consequent to this the Company cancelled 100% of the bonds under the Third Issue and 96.33% of the bonds under the Fourth Issue and replaced them with a the new series of FCCBs ('Fifth Issue'). The terms of the remaining 3.67% of the bonds under the Fourth Issue have been amended by the Company.
- f) Exceptional Items for the current quarter comprise of: (i) write off of unrealizable debts/ reversal of unbilled revenues aggregating to Rs. 13,762 lacs and provision for diminution in a long term investment of Rs. 291 lacs; (ii) disputed customer claims and related losses thereof incurred by one of the subsidiary companies for Rs. 406 lacs; (iii) expenses incurred by the Parent in connection with debt restructuring amounting to Rs. 1,182 lacs.
- g) In the current quarter, impact of discontinuing operations comprise of expenses incurred of Rs. 1,442 lacs in respect of government projects exited in the year 2010 and towards foreclosure of receivables in respect of discontinued business of Rs. 1,231 lacs.
- h) Hitherto, certain foreign subsidiaries of the group were considered as non- integral in terms of AS-11 "Accounting for changes in the exchange rates" which on business restructuring during the year is being considered as integral w.e.f. January 1, 2012. Further, there has been changes in leave policies of the Parent Company resulting in leave entitlement provision being lower. The impact of the aforesaid changes has resulted in loss for the quarter being lower by Rs. 1,784 lacs.
- i) In respect of auditors' observation on net deferred tax asset of Rs. 10,382 lacs being carried forward, the management, based on the order book on hand and relying on the Restructuring Scheme approved by the CDR Cell, is confident of achieving taxable income in foreseeable future, which would enable reversals of deferred tax assets already recognised in earlier years.
- j) The disclosure in respect of standalone financials are as under -

(Rupees in Lacs)

Particulars	3 months ended (31/03/2012)	Preceeding 3 months ended (31/12/2011)	Corresponding 3 months ended in the previous year (31/03/2011)	Year to Date figures for current year ended (31/03/2012)	Figures for Previous Year Ended 31/03/2011
	Audited	Audited	Audited	Audited	Audited
Net Sales/Income from Operations	8,420	9,691	15,280	51,416	55,025
Profit / (Loss) Before Tax Before Exceptional Items	(8,027)	(12,522)	2,798	(16,525)	10,815
Profit / (Loss) Before Tax After Exceptional Items	(16,749)	(12,522)	2,798	(25,247)	10,815
Profit / (Loss) After Tax After Exceptional Items	(21,227)	(15,021)	3,442	(31,173)	11,939
Profit / (Loss) After Discontinuing Operations	(22,669)	(15,021)	3,442	(32,615)	11,939

k) Figures for the previous periods are not comparable in view of interalia divestments of subsidiaries and have been re-grouped / re-arranged, wherever considered necessary, to conform to current period's presentation.

l) The standalone financial results will be available on the NSE website www.nseindia.com and the BSE website www.bseindia.com, in addition to the Company's website.

By order of the Board
for 3i Infotech Limited

Mumbai
May 16, 2012.

Amar Chintopanth
Deputy Managing Director & CFO