



3i INFOTECH LIMITED

**STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2011**

R.G.N. Price & Co.
Simpsons' Buildings
861, Anna Salai
Chennai – 600 002.
email: price@vsnl.com

Lodha & Company
6, Karim Chambers
40, A. Doshi Marg
Mumbai - 400 001.
email: mumbai@lodhaco.com

Auditors' Report

To
The Members of
3i-Infotech Limited

1. We have audited the attached Balance Sheet of 3i-Infotech Limited ("the Company") as at March 31, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as "the Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable;



- v) On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with "Significant Accounting Policies and Notes to Accounts" in Schedule XIV and other notes appearing in the said Schedule and those appearing elsewhere in the accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- b) in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For R.G.N. Price & CO.

Chartered Accountants
Firm Registration No: 002785S

Mahesh Krishnan

Mahesh Krishnan
Partner
Membership No. 206520

Place: Dubai
Date: April 22, 2011.



For LODHA & CO.

Chartered Accountants
Firm Registration No: 301051E

R.P. Baradiya

R.P. Baradiya
Partner
Membership No. 44101

Place: Dubai
Date: April 22, 2011.



Annexure referred to in paragraph 3 of our report of even date on the Financial Statements as at and for the year ended March 31, 2011 of 3i-Infotech Limited

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified (including electronic verification) by the management during the year in accordance with the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. The phased programme is considered reasonable having regard to the size of the Company and nature of its business.
- (c) During the year, the Company has not sold/disposed off substantial portion of its fixed assets.
- (ii) The Company is a service company, primarily rendering information technology services. Accordingly, it does not hold any physical inventories. Hence, paragraph 4(ii) of the Order, is not applicable.
- (iii) As informed, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased and sale of services are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register required to be maintained under Section 301 of the Act.
- (vi) The Company has not accepted any public deposits within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for the services rendered by the Company. Accordingly, paragraph 4(viii) of the Order is not applicable.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Income tax, Sales Tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute except following :



Name of the Statute	Nature of Demand	Period to which amount relates	Amount (In Rs.)	Forum where dispute is pending
Karnataka VAT Act, 2003	Sales Tax	2008-09	10,779,920	Asst. Commissioner of Commercial Taxes

- (x) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (xii) In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks and financial institutions, are not, prima facie prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet and Cash Flow Statement of the Company, in our opinion, the funds raised on short term basis have, prima facie, not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act except employees stock options allotted to the directors of the Company as per Employees Stock Scheme approved by the shareholders of the Company.
- (xix) The Company has not issued any debentures during the year or in the recent past.
- (xx) The Company has not raised any money by public issues during the year or in the recent past.
- (xxi) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have been informed of such case by the management.

For R.G.N. Price & CO.
Chartered Accountants
Firm Registration No: 0027855

Mahesh Krishnan

Mahesh Krishnan
Partner
Membership No. 206520

Place: Dubai
Date: April 22, 2011.



For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R.P. Baradiya

R.P. Baradiya
Partner
Membership No. 44101

Place: Dubai
Date: April 22, 2011.

3i INFOTECH LIMITED
BALANCE SHEET AS AT MARCH 31, 2011

₹ in crores

	Schedule	As at March 31, 2011	As at March 31, 2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds :			
A. Share Capital	I	291.99	268.76
B. Reserves and Surplus	II	776.25	626.34
		1,068.24	895.10
2. Loan Funds :			
A. Secured Loans	III	720.49	401.82
B. Unsecured Loans	IV	1,122.16	1,206.28
		1,842.65	1,608.10
3. Premium payable on Redemption of FCCB		152.45	123.73
		3,063.34	2,626.93
II. APPLICATION OF FUNDS			
1. Fixed Assets :			
A. Gross Block	V	440.13	408.91
B. Less : Depreciation		222.30	179.06
C. Net Block		217.83	229.85
D. Capital Work-in-Progress		0.22	1.38
E. Assets held for disposal		-	15.00
		218.05	246.23
2. Investments	VI	1,969.78	1,724.84
3. Deferred Tax Asset (net)		103.66	92.35
4. Current Assets, Loans and Advances	VII		
A. Current Assets :			
a. Sundry Debtors		199.10	250.07
b. Unbilled Revenues		51.79	67.55
c. Cash and Bank Balances		108.87	44.74
d. Other Current Assets		21.67	-
		381.43	362.36
B. Loans and Advances			
		597.25	419.33
		978.68	781.69
Less: Current Liabilities and Provisions :			
A. Current Liabilities			
	VIII	149.01	162.62
B. Provisions			
		57.82	55.56
		206.83	218.18
Net Current Assets		771.85	563.51
		3,063.34	2,626.93

Significant Accounting Policies and Notes to Accounts

XIV

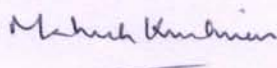
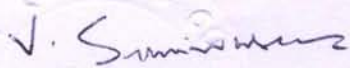
Schedules referred to above form an integral part of the financial statements


As per our attached report of even date

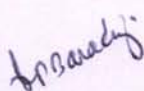
 For Lodha & Company
Chartered Accountants

 For R.G.N. Price & Co.
Chartered Accountants

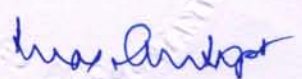
For and on behalf of the Board




V Srinivasan
Managing Director


Dileep C. Choker
Director & Chairman
of Audit Committee


R P Baradiya
Partner

 Mahesh Krishnan
Partner


Amar Chintopanath
Deputy Managing Director & CFO


Shivanand R. Shettigar
Company Secretary

Dubai, April 22, 2011

3i INFOTECH LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

₹ in crores

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME:			
Income from Operations	IX	550.25	519.99
Other Income	X	28.37	14.48
Total Income		578.62	534.47
EXPENDITURE:			
Operating, Selling and other expenses	XI	295.91	263.15
Total Expenditure		295.91	263.15
Profit before interest, depreciation/amortisation and taxation		282.71	271.32
Interest	XII	122.81	94.33
Depreciation and Amortisation		51.75	40.50
Profit before taxation		108.15	136.49
Provision for Taxes	XIII	(11.24)	3.50
Profit after taxation before Exceptional Items and Impact of Discontinuing Operations		119.39	132.99
Add/(Less) : Exceptional Items (Refer Note no.2.7)		-	27.86
Less : Impact of Discontinuing Operations (Refer Note no. 2.8)		-	(260.46)
Profit/(Loss) after taxation and Exceptional items and Impact of Discontinuing Operations		119.39	(99.61)
Add: Balance of profit brought forward		122.03	84.21
Add : FCCB redemption reserve written back		-	234.16
Profit available for appropriation		241.42	218.76
Appropriations:			
General Reserve		6.00	6.00
FCCB Redemption Reserve		-	53.66
Proposed Dividend - Equity Shares		28.80	25.32
Residual Dividend paid		3.46	0.02
Proposed Dividend - Preference Shares		1.03	1.03
Interim Dividend - Preference Shares		5.32	5.32
Corporate Dividend Tax		6.20	5.38
Balance carried over to Balance Sheet		190.61	122.03
		241.42	218.76
Earnings per Share			
Equity shares, par value Rs 10 each (Refer note no.2.14)			
Before Exceptional items			
Basic (₹)		5.85	8.35
Diluted (₹)		5.83	8.25
After Exceptional items			
Basic (₹)		5.85	(7.12)
Diluted (₹)		5.83	(7.04)

Significant Accounting Policies and Notes to Accounts

XIV

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

 For Lodha & Company
Chartered Accountants

 For R.G.N. Price & Co.
Chartered Accountants

For and on behalf of the Board

 R P Baradiya
Partner

 Mahesh Krishnan
Partner

 V Srinivasan
Managing Director

 Amar Chintopanah
Deputy Managing Director & CFO

 Dileep C. Chokkar
Director & Chairman
of Audit Committee

 Shivanand R. Shetti
Company Secretary

Dubai, April 22, 2011

3i INFOTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	₹ in crores	
	For the year ended March 31, 2011	For the year ended March 31, 2010
A Cash Flow from Operating Activities :		
Profit before taxation & exceptional items	108.15	136.49
Adjustments for:		
Depreciation / Amortization	51.75	40.50
Sale of Autodeal business	(2.00)	-
Foreign Exchange loss / (gain)	(4.58)	(2.08)
Loss / (Profit) on sale / discarding of fixed assets	2.07	1.45
Loss / (Profit) on sale of investments	1.92	-
Dividend Income	(0.77)	(1.32)
Interest received	(3.99)	(2.25)
Interest Paid	122.81	94.33
Provision for doubtful debts	7.60	4.68
Impairment of acquired software & losses on foreclosure of contracts	1.92	-
Operating Profit before Working Capital Changes	284.88	271.80
Adjustments for:		
Trade and Other Receivables	(221.64)	(126.84)
Trade Payables and Other Liabilities(Refer note no 5.)	222.43	171.05
	0.79	44.21
Cash generated from Operations	285.67	316.01
Income Taxes paid	(16.25)	(121.21)
Net cash from Operating Activities - A	269.42	194.80
B Cash Flow from Investing Activities :		
Purchase of fixed assets (Including Capital-Work-in-Progress & advances)	(19.95)	(129.66)
Sale of fixed assets	20.70	2.12
Investment/ transfer of shares in subsidiary companies / application money	(186.88)	(280.79)
Purchase of Investments / application money	(310.00)	(237.04)
Sale/ transfer of Investments	325.05	256.04
Dividend received	0.77	1.32
Loans (given) / received back - subsidiaries	13.36	0.12
Interest received	3.99	2.25
Net cash used in Investing Activities - B	(152.96)	(386.00)

3i INFOTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011	For the year ended March 31, 2010
		₹ in crores
C Cash Flow from Financing Activities :		
Proceeds from issue of Equity Share Capital	1.58	2.50
Proceeds from issue of QIP	179.99	317.81
Payment towards QIP expenses	(15.08)	(10.53)
Payment towards FCCB Buy Back	-	(54.55)
Premium paid on FCCB redemption	(36.35)	
Proceeds from/(Repayment of) borrowings - net	(13.43)	58.91
Dividends paid (including taxes)	(40.96)	(30.37)
Interest paid	(122.81)	(94.32)
Net Cash from Financing Activities - C	(47.06)	189.45
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	69.40	(1.75)
Cash and Cash Equivalents as at beginning	34.28	36.03
Cash and Cash Equivalents as at end²	103.68	34.28

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statements" prescribed by the Companies (Accounting Standard) Rules, 2006.
- Margin money of ₹ 5.19 crores (as at Mar 31, 2010 - ₹ 10.46 crores) and monies lying in escrow account of ₹ 0.00 crores (as at Mar 31, 2010 - ₹ 0.00 crores) has been excluded from Cash and Cash equivalents and included in Trade and Other Receivables.
- Comprises of amounts (paid)/received for investments / application money for the year March 31, 2011:

Subsidiary name	Amount (in crs)	Reference note in schedule
3i Infotech Holdings Private Limited	(196.28)	-
Redeemable Preference Shares 3i Infotech Holdings Private Limited	82.76	-
Fineng solutions Pvt. Ltd.	(15.86)	2.4.2
3i Infotech UK Limited	(8.76)	-
HCCA	(21.97)	2.4.7
3i Infotech BPO Limited	(50.60)	2.4.3 (a)
Locuz	(10.55)	2.4.1
3i Infotech Consultancy Services Ltd.	(28.95)	-
Preference shares of eMudhra Consumer Services Ltd.	(25.00)	2.4.3(c)
3i Infotech Consumer Services Limited	29.88	2.4.3(c)
3i Infotech Insurance & Re-Insurance Brokers Ltd	2.68	2.4.5
Delta	26.13	2.4.3(b)
Stex	9.56	2.4.4
E Enable	12.27	2.4.4
KNM Services Pvt Ltd.	2.92	2.4.4
ack Inhouse Factoring Services Pvt Ltd	4.88	
Total	(186.88)	

- Refer note no. 2.8 regarding discontinuing of operations.
- Trade payables and other liabilities includes borrowings payable within 3 months ₹ 248 crores (as at Mar 31, 2010 - ₹ 190 crores)
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Significant Accounting Policies and Notes to Accounts (Refer Schedule No XIV)

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For Lodha & Company
Chartered Accountants

For R.G.N. Price & Co.
Chartered Accountants

For and on behalf of the Board

R P Baradiya
Partner
Dubai, April 22, 2011

Mahesh Krishnan
Partner

V Srinivasan
Managing Director

Amar Chintopanah
Deputy Managing Director & CFO

Dileep C. Choksi
Director & Chairman
of Audit Committee

Shivanand R. Shettigar
Company Secretary



3i INFOTECH LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	₹ in crores	
	As at March 31, 2011	As at March 31, 2010
I Share Capital		
Authorised		
300,000,000 Equity shares of ₹ 10 each (as at Mar 31, 2010 - 300,000,000 of ₹ 10 each)	300.00	300.00
200,000,000 Cumulative Preference shares of ₹ 5 each	100.00	100.00
	400.00	400.00
Issued, Subscribed & Paid - up		
191,986,549 Equity shares of ₹ 10 each ¹ (168,759,946 Equity shares as at Mar 31, 2010)	191.99	168.76
200,000,000 6.35 % Cumulative Preference shares of ₹ 5 each ²	100.00	100.00
	291.99	268.76
Notes :		
1. Of the above, 84,788,331 Equity shares are allotted as fully paid-up Bonus shares (as at Mar 31, 2010 - 84,788,331 shares) by capitalisation of Securities Premium Account and accumulated profits. Also refer note no. 2.2 regarding shares issued on conversion of QIP and note no.2.15 regarding ESOP and note no. 2.6 regarding FCCB.		
2. Preference Shares are redeemable at par on expiry of nine years from the date of allotment i.e. Mar 31, 2003.		
II Reserves and Surplus		
a Capital Reserve (on merger)		
Balance as per last Balance Sheet	0.06	0.06
b Securities Premium Account		
Balance as per last Balance Sheet	470.46	212.95
Add : Received on allotment of equity shares under ESOP	1.25	1.99
Add : Received during the year on Qualified Institutional Placement issue (QIP)	157.09	280.31
Less : Expenses on Qualified Institutional Placement issue (QIP)	(15.08)	(10.53)
Add/(Less)/Utilised towards premium payable on redemption of FCCB	(69.50)	(14.26)
	544.22	470.46
c General Reserve		
Balance as per last Balance Sheet	31.00	25.00
Add: Transfer from Profit and Loss Account	6.00	6.00
	37.00	31.00
d Translation Reserve		
Opening balance	2.79	13.18
Movement during the year	0.24	(10.39)
	3.03	2.79
(Less): Adjusted against Profit and Loss Account balance as per contra	(3.03)	(2.79)
	-	-
e FCCB Redemption Reserve		
Balance as per last Balance Sheet	-	180.50
Add: Transfer from Profit and Loss Account	0.00	53.66
Less: Transfer to Profit and Loss Account	(0.00)	(234.16)
	-	-
f Profit and Loss Account		
Balance as per annexed account	190.61	122.03
Add: Arising on merger	1.33	-
Add: Transfer from Translation Reserve as per contra	3.03	2.79
	194.97	124.82
Total	776.25	626.34

3i INFOTECH LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	As at March 31, 2011	As at March 31, 2010
III Secured Loans		
a From Banks:		
Term Loans	543.00	221.67
Cash Credit	175.50	178.47
b Other Bodies Corporate	1.99	1.68
	720.49	401.82

Notes :

- Security and terms and conditions for Term Loans :
 - ₹ 250 crores (as at Mar 31, 2010 - ₹ NIL) secured by first pari passu charge over all movable tangible fixed assets and immovable fixed assets of the Company located at its offices at Navi Mumbai & Goregaon. A part of this loan (₹125 crores) is further secured by pledge of the shares held by the Company in its subsidiary, 3i Infotech (UK) Ltd.
 - ₹ 125 crores (as at Mar 31, 2010 - 125 crores) is secured by subordinated charge over all movable tangible fixed assets and immovable fixed assets of the Company located at its offices at Navi Mumbai & Goregaon.
 - ₹ 53 crores (as at Mar 31, 2010 - 53 crores) loan is secured by way of pari passu charge on book debts.
 - ₹ 115 crores (as at Mar 31, 2010 - ₹ NIL) secured by hypothecation charge over the Intellectual Property Rights of our software products namely Orion and Premia.
 - ₹ NIL (as at Mar 31, 2010 - ₹ 43.55 crores) loan is secured/to be secured by way of Equitable Mortgage of certain properties of the Company situated at Navi Mumbai.
- Certain non-fund facilities of ₹. 46.83 crores (as at Mar 31, 2010 - ₹40.04 crores) and Cash Credit are secured by way of floating charge on book debts.
- Security and terms and conditions for Other Bodies Corporate :
 - ₹ 1.99 crores (as at Mar 31, 2010 - ₹ 1.80 crores) loan is secured by way of hypothecation on certain Company owned vehicles.

IV Unsecured Loans*

Foreign Currency Convertible Bonds (Refer note no.2.6)	428.23	510.99
Rupee Loans from banks	688.49	691.51
From Subsidiaries	5.21	3.25
From Others	0.23	0.53
	1,122.16	1,206.28

*Repayable within one year

548.74

648.01



Schedules forming part of the Financial Statements

V Fixed Assets

₹ in crores

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at April 1, 2010	Additions on Business purchase during the year merger*	Ded / (Adj) during the year	As at March 31, 2011	Upto March 31, 2010	Additions on Business purchase merger *	Depreciation for the year	Ded / (Adj) for the year	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Intangible assets											
Goodwill	42.73	-	24.75	67.48	32.46	-	13.30	-	45.76	21.72	10.27
Software Products - Meant for sale	7.94	-	-	7.94	2.17	-	-	-	2.17	5.77	5.77
- Others	111.92	1.03	1.61	114.56	40.09	0.52	17.23	-	57.84	56.72	71.83
Business & Commercial Rights	44.62	-	-	44.62	27.76	-	3.81	-	31.57	13.05	16.86
Tangible assets											
Land - Leasehold - Freehold	0.52 2.09	- -	- -	0.52 2.09	0.09 -	- -	0.01 -	- -	0.10 -	0.42 2.09	0.43 2.09
Buildings - Owned - Leasehold ¹	0.77 32.34	- -	- -	0.77 32.34	0.14 6.63	- -	0.01 0.41	- -	0.15 7.04	0.62 25.30	0.63 25.71
Leasehold Improvements	28.73	-	0.18	22.46	10.80	-	2.45	4.20	9.05	13.41	17.93
Plant & Machinery / Electrical Installations	16.94	-	0.59	16.94	6.35	-	0.77	0.28	6.84	10.10	10.59
Computers	88.62	0.54	16.12	103.69	38.51	0.38	11.92	0.62	50.19	53.50	50.11
Furniture & Fixtures	16.85	0.06	-	13.72	9.19	0.02	0.88	2.34	7.75	5.97	7.66
Office Equipment	7.70	0.16	0.85	6.76	3.03	0.03	0.33	1.45	1.94	4.82	4.67
Vehicles	7.14	-	0.55	6.24	1.84	-	0.63	0.57	1.90	4.34	5.30
Total	408.91	1.79	44.65	440.13	179.06	0.95	51.75	9.46	222.30	217.83	229.85
Previous Year	542.75	-	195.58	408.92	162.48	-	40.51	23.92	179.07	229.85	-
Capital work - in - progress (including Capital Advances) ²	1.38	-	8.56	9.72	0.22	-	-	-	-	0.22	1.38

* Refer Note 2.4

Notes :

1 Buildings- Leasehold include:

- (i) Rs 20.85 crores (as at March 31, 2010 Rs 20.85 crores), Accumulated Depreciation - Rs 3.58 crores (as at March 31, 2010 Rs 3.22 crores) and Net Value Rs 17.27 crores (as at March 31, 2010 Rs 17.63 crores) being lease premium paid in respect of building taken on lease for sixty years.
- (ii) Rs 11.49 crores (as at March 31, 2010 Rs 11.49 crores), Accumulated Depreciation Rs 3.49 crores (as at March 31, 2010 Rs 2.05 crores) and Net Value Rs 8.00 crores (as at March 31, 2010 Rs 9.44 crores) being lease premium paid in respect of building taken on lease for ninety nine years.

2 Capital work- in- progress comprise

- advance towards project assets Rs Nil (as at March 31, 2010 Rs Nil crores)
- others Rs 0.22 crores (as at March 31, 2010 Rs 1.38 crores)

\$ Rs. 0.00 crores denotes figures less than Rs 50,000

3i INFOTECH LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	₹ in crores	
	As at March 31, 2011	As at March 31, 2010
VI Investments		
Long Term Investments (Unquoted and Fully Paid-up)		
Trade :		
In Subsidiary Companies		
1,792,302 Equity shares of SGD 1 each of 3i Infotech Asia Pacific Pte Ltd., Singapore (as at Mar 31, 2010 - 1,792,302 shares)	6.98	6.98
32,26,308 Equity shares of GBP 1 each of 3i Infotech (UK) Ltd. ² (as at Mar 31, 2010 - 3,101,308 shares)	355.73	346.97
5,995,238,228 Ordinary Shares of MUR 1 each of 3i Infotech Holdings Private Limited, Mauritius (as at Mar 31, 2010 - 4,419,874,144 shares)	952.07	697.75
500 Shares of SAR 1,000 each of 3i Infotech Saudi Arabia LLC	0.67	0.67
NIL Equity Shares of ₹ 10 each fully paid up of Delta Services (I) Pvt. Ltd. ³ (as at Mar 31, 2010 - 400,000 shares)	-	26.13
5,569,762 Equity Shares of ₹ 10 each fully paid up of 3i Infotech Trusteeship Services Ltd.	0.01	0.01
NIL Equity Shares of ₹ 10 each fully paid up of Stex Software Pvt. Ltd. ³ (as at Mar 31, 2010 - 51,000 shares)	-	9.56
NIL Equity Shares of ₹ 10 each fully paid up of E-Enable Technologies P. Ltd. ³ (as at Mar 31, 2010 - 152,600 shares)	-	12.27
NIL Equity Shares of ₹ 10 each fully paid up of Aok In-house Factoring Services Pvt. Ltd. ³ (as at Mar 31, 2010 - 52,650 shares)	-	4.88
52,932 Equity Shares of ₹ 10 each fully paid of HCCA Business Services Pvt. Ltd. ³	21.97	-
NIL Equity Shares of ₹ 10 each fully paid up of KNM Services Pvt. Ltd. ³ (as at Mar 31, 2010 - 50,000 shares)	-	2.92

3i INFOTECH LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	As at March 31, 2011	As at March 31, 2010
1,00,000 Equity Shares of ₹ 10 each fully paid of 3i Infotech BPO Ltd. (as at Mar 31, 2010 - 50,122 shares)	66.71	16.11
347,630 Equity Shares of Taka 10 each fully paid of 3i Infotech Services (Bangladesh) Pvt. Ltd (as at Mar 31, 2010 - 347,630 shares)	0.20	0.20
4,805,211 Equity Shares of ₹ 10 each fully paid of 3i Infotech Consultancy Services Ltd. (as at Mar 31, 2010 - 840,000 shares)	37.04	8.09
740,000 Equity Shares of ₹ 10 each fully paid of Locuz Enterprise Solutions Ltd. ³ (as at Mar 31, 2010 - 510,000 shares)	22.80	12.25
117,970 Equity Shares of ₹ 10 each fully paid of FinEng Solutions Private Limited. ³ (as at Mar 31, 2010 - 70,782 shares)	39.97	24.11
162,195 Equity Shares of ₹ 10 each fully paid of J & B Software India Private Ltd. (as at Mar 31, 2010 - 162,195 shares)	0.47	0.47
NIL Equity Shares of ₹ 10 each fully paid of eMudhra Consumer Services Ltd. (formerly known as 3i Consumer Services Limited). ³ (as at Mar 31, 2010 - 29,877,551 shares)	-	29.88
Elegon Infotech Limited, China	11.82	11.82
NIL Equity Shares of ₹ 10 each fully paid of 3i Infotech Insurance & Re-Insurance Brokers Ltd. (as at Mar 31, 2010 - 2,500,000 shares)	-	2.68
Redeemable Convertible Preference Shares of 3i Infotech Holdings Private Limited, Mauritius : 891,631,605 Series A - Redeemable Convertible Preference Shares of MUR 1 each (as at Mar 31, 2010 - 891,631,605 shares)	127.69	121.18
NIL Series B - Redeemable Convertible Preference Shares of MUR 1 each (as at Mar 31, 2010 - 541,885,200 shares)	-	90.96
1,780,361,142 Series C - Redeemable Convertible Preference Shares of MUR 1 each (as at Mar 31, 2010 - 1,780,361,142 shares)	300.55	298.85
Non-Trade :		
In other Companies		
200,000 Equity Shares of Sri Lankan ₹10 each of First Capital Asset Management Co. Ltd., Sri Lanka	0.10	0.10
250,00,000 Redeemable Non Convertible Zero Coupon Preference Shares of ₹ 10 each of eMudhra Consumer Services Ltd. (formerly known as 3i Infotech Consumer Services Ltd.) (as at Mar 31, 2010 - NIL shares)	25.00	-
National Savings Certificates ¹	0.00	0.00
Aggregate Value Of Unquoted Investments	1,969.78	1,724.84

Notes:

- During the year, the Company has purchased 31,070,256 units (for the year ended Mar 31, 2010 - 256,041,111 units) and sold 31,070,256 units (for the year ended Mar 31, 2010 - 256,041,111 units) of Mutual Funds.
- 100% of the equity share capital representing beneficial interest in 600,000 shares held by 3i Infotech Inc, USA and 400,000 shares in Company's Name. Refer note No.1a. under Schedule III of secured Loan for pledge of shares
- Refer note no.2.4
- ₹ 0.00 crores denotes figures less than Rs.50,000

3i INFOTECH LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	As at March 31, 2011	As at March 31, 2010
VII Current Assets, Loans and Advances		
A Current Assets		
a) Sundry Debtors (Unsecured, considered good unless otherwise stated)		
- Debts outstanding for more than six months *	23.50	21.48
(net of doubtful debts provided for Rs. 40.12 crores; as at Mar 31, 2010 - Rs.36.44 crores)		
- Other debts *	175.60	228.59
(net of doubtful debts provided for Rs. Nil crores; as at Mar 31, 2010 - Rs.2.11 crores)		
	199.10	250.07
* Includes amount due from subsidiary companies	83.19	125.80
b) Unbilled Revenues	51.79	67.55
c) Cash and Bank Balances :		
i. Cash on hand	0.04	0.07
ii. Balances with scheduled banks:		
in current accounts *	77.34	17.59
in dividend accounts and equity share refund accounts	0.35	0.23
in EEFC accounts	0.07	0.06
in deposit accounts	24.58	15.02
in margin money accounts**	3.93	8.42
	106.27	41.32
iii. Balances with Non-scheduled banks:		
with HSBC Bank, Deira, UAE	0.56	1.18
(Maximum balance held at any time during the year ₹.0.015 crores; for the year ended Mar 31, 2010 - Rs 1.18 crores)		
with Commerz Bank, Germany	0.05	0.05
(Maximum balance held at any time during the year Rs.0.04 crores; for the year ended Mar 31, 2010 - Rs 0.05 crores)		
with Emirates Bank International, Dubai, UAE	0.69	0.08
(Maximum balance held at any time during the year Rs.6.70 crores; for the year ended Mar 31, 2010 - Rs 5.24 crores)		
in margin money accounts : **		
with Emirates Bank International, Dubai, UAE	1.26	2.04
(Maximum balance held at any time during the year Rs.0.80 crores; for the year ended Mar 31, 2010 - Rs 3.09 crores)		
in escrow accounts :		
with Citi Bank Hongkong \$	0.00	0.00
(Maximum balance held at any time during the year Rs.0.00 crores; for the year ended Mar 31, 2010 - Rs 57.35 crores)		
	2.56	3.35
	108.87	44.74
d) Other Current Assets		
Receivable towards sale of Investments (Refer note no 2.4.3(c))	14.88	-
Receivable towards sale of Intellectual Property Rights (Refer note no 2.4.6)	6.79	-
	21.67	-
	381.43	362.36
	2.35	0.14

* Includes cheques on hand and remittances in transit

** Towards performance guarantees

\$ ₹ 0.00 crores denotes figures less than Rs.50,000

3i INFOTECH LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	As at March 31, 2011	As at March 31, 2010
B Loans and Advances		
(Unsecured, considered good)		
Loans :		
To subsidiary companies	0.54	13.94
To others (including employees)	0.03	-
Advance against Share Capital to subsidiaries (Share Application Money)	38.90	96.95
Advance tax and tax deducted at source (net of provisions of Rs.29.13 crores; as at Mar 31, 2010 - Rs.61.39 crores)	76.53	59.15
MAT credit receivable	57.19	58.38
Service tax recoverable	3.09	0.56
VAT recoverable	4.56	1.70
Deposits	63.66	60.77
Advances recoverable from subsidiary companies	243.16	101.67
Other advances recoverable in cash or in kind or for value to be received	109.59	26.21
	597.25	419.33
	978.68	781.69

VIII Current Liabilities and Provisions

A Current Liabilities*

Acceptances	27.80	23.43
Sundry creditors		
- Dues to Micro, Small and Medium Enterprises (Refer note no.2.5)	-	-
- Others	61.28	78.92
Due to Subsidiaries	33.41	37.89
Advances received from Customers (including unearned income)	2.88	2.27
Interest accrued but not due	-	0.02
Unclaimed dividend	0.35	0.23
Other liabilities	23.29	19.86
	149.01	162.62

* There are no amounts payable to Investors Education and Protection Fund

B Provisions

Provision for Employee benefits	23.16	24.74
Proposed dividend (including tax thereon)	34.66	30.82
	57.82	55.56
	206.83	218.18

\$ ₹ 0.00 crores denotes figures less than ₹ 50,000

3i INFOTECH LIMITED

Schedules forming part of the Financial Statements

₹ in crores

	For the year ended March 31, 2011	For the year ended March 31, 2010
IX Income from Operations		
IT Solutions	480.62	425.63
Transaction Services	69.63	94.36
	550.25	519.99
X Other Income		
Interest	3.99	2.25
(Gross, TDS - Rs.0.40 crores; previous year Rs 0.00 crores)		
Dividend - on current investments (Non Trade)	0.77	1.32
Excess provision written back	10.66	-
Profit on sale of investments (Refer note no.2.4.3)	-	4.14
Foreign exchange gain - net	4.58	2.08
Rent receipt	4.21	3.33
Miscellaneous income	4.16	1.36
	28.37	14.48
XI Operating, Selling and other expenses		
Salaries, bonus and other allowances	260.89	256.78
Contribution to provident and other funds	21.33	13.50
Staff welfare expenses	15.05	19.39
Recruitment and training expenses	1.48	1.23
Cost of third party products/outourced services	128.48	114.14
Rent	94.89	62.95
Insurance	1.15	3.79
Travelling and conveyance	27.95	25.19
Electricity Charges	12.20	11.34
Rates and taxes	2.33	3.79
Communication expenses	9.15	11.51
Directors sitting fees	0.15	0.15
Loss on sale/discarding of fixed assets (net)	2.07	1.45
Printing and stationery	1.38	2.16
Repairs and maintenance - building	0.79	0.94
Legal and professional charges	7.11	3.67
Bank charges and other financial charges	10.57	10.73
Selling and distribution expenses	1.50	2.03
Directors' commission	0.30	1.00
Bad debts written off	6.00	11.27
Less - Provision withdrawn	(6.00)	(11.27)
Provision for doubtful debts	7.60	4.68
Loss on sale of investments (Refer note no.2.4.3 and 2.4.5)	1.92	-
Miscellaneous expenses	20.78	17.95
	629.07	568.37
Less : Recovery from subsidiaries		
a.Re-imbursement of costs by subsidiary companies	(291.08)	(263.75)
b. Corporate charges	(42.08)	(41.47)
	295.91	263.15
XII Interest		
- On term loans	100.19	82.58
- Others	22.62	11.75
	122.81	94.33
XIII Taxes		
Provision for Taxes		
- Current Taxes	23.00	22.44
- MAT credit entitlement	(22.97)	(22.41)
- Deferred Taxes (net)	(11.31)	3.03
- Pertaining to earlier years written off	0.04	0.44
	(11.24)	3.50

3i INFOTECH LIMITED

SCHEDULE XIV: SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Method of Accounting

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in accounting policy hitherto in use.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

1.3 Revenue Recognition

a) Revenue from IT solutions:

Revenue from IT solutions comprises of revenue from software products, IT services and sale of hardware/outsourced software

i) Revenue from software products is recognized on delivery/installation, as per the predetermined/laid down policy across all geographies or lower, as considered appropriate by the management on the basis of facts in specific cases. Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.

ii) Revenue from IT services is recognized either on time and material basis or fixed price basis or based on certain measurable criteria as per relevant agreements. Revenue on time and material contracts is recognized as and when services are performed. Revenue on fixed-price contracts is recognized on the percentage of completion method. Provision for estimated losses, if any, on such uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

iii) Revenue from supply of Hardware, Software License/Term License/Other Materials incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.

b) Revenue from Transaction Services:

Revenue from transaction services and other service contracts is recognized based on transactions processed or manpower deployed.

1.4 Unbilled and Unearned Revenue

Revenue recognized over and above the billings on a customer is classified as "unbilled revenue" while billing over and above the revenue recognized in respect of a customer is classified as "unearned revenue".

1.5 a. Fixed Assets

Intangible: Purchased software meant for in-house consumption & significant upgrades thereof, Goodwill and Business & Commercial Rights are capitalized at the acquisition price.

Acquired software/products meant for sale are capitalized at the acquisition price.

Tangible: Fixed Assets are stated at cost, which comprises of purchase consideration and other directly attributable cost of bringing an asset to its working condition for the intended use.

Advances given towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

b. Depreciation / Amortization:

Leasehold land, Leasehold building and improvements thereon are amortized over the period of lease or its life, whichever is lesser.

Business & Commercial Rights are amortized at lower of the period the benefits arising out of these are expected to accrue and ten years, while purchased software meant for in house consumption & significant upgrades thereof and Goodwill arising on merger/acquired Goodwill is amortized over a period of five years.

Acquired software are amortized at lower of the estimated life of the product and five years.

Depreciation on other fixed assets is provided on straight-line method at the rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956.

1.6 Investments

Trade investments are the investments made to enhance the Company's business interest. Investments are either classified as current or long-term based on the management's intention at the time of purchase. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investments.

Current investments are carried at the lower of the cost and fair value and provision is made to recognize any decline in the carrying value. Cost of overseas investment comprises the Indian Rupee value of the consideration paid for the investment.

1.7 Accounting for Taxes on Income

Provision for current income tax is made on the basis of the estimated taxable income for the year in accordance with the Income Tax Act, 1961.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

1.8 Translation of Foreign Currency Items

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets, current liabilities and borrowings denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resultant gain/loss are recognized in the Profit & Loss account. Overseas equity investments are recorded at the rate of exchange in force on the date of allotment/acquisition.

All the activities of the foreign operations are carried out with a significant degree of autonomy. Accordingly, as per the provisions of AS 11 "Effects of changes in foreign exchange rates", these operations have been classified as 'Non integral operations' and therefore all assets and liabilities, both monetary and non-monetary, are translated at the closing rate while the income and expenses are translated at the average rate for the year. The resulting exchange differences are accumulated in the Foreign Currency Translation Reserve.

1.9 Accounting of Employee Benefits

Employee Benefits in India

a) Gratuity

The Company provides for gratuity, a defined benefit retirement plan, covering eligible employees. Liability under gratuity plan is determined on actuarial valuation done by the Life Insurance Corporation of India (LIC) at the beginning of the year, based upon which, the Company contributes to the Scheme with LIC. The Company also provides for the additional liability over the amount contributed to LIC based on the actuarial valuation done by an independent valuer using the Projected Unit Credit Method.

b) Superannuation

Certain employees of the Company are also participants in a defined superannuation contribution plan. The Company contributes to the scheme with Life Insurance Corporation of India on monthly basis. The Company has no further obligations to the scheme beyond its monthly contributions.

c) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan to the Trust/Government administered Trust. In the case of Trust aggregate contribution along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contribution to the 3i Infotech Provident Fund Trust equal to a specified percentage of the covered employee's salary. Company also contributes to a Government administered pension fund on behalf of its employees.

The interest rate payable by the trust to the beneficiaries every year is being notified by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. Such shortfall is charged to Profit & Loss account in the year it is determined.

d) Liability for leave encashment/entitlement for employees is provided on the basis of the actuarial valuation at the year end.

e) All actuarial gains/losses are charged to revenue in the year these arise.

Employee Benefits in Foreign Branch

In respect of employees in foreign branches, necessary provision is made based on the applicable local laws. Gratuity and leave encashment/entitlement as applicable for employees in foreign branches is provided on the basis of the actuarial valuation at the year end.

All actuarial gains/losses are charged to revenue in the year these arise.

1.10 Provisions, Contingent Liabilities and Contingent Assets

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.
- ii) Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.
- iii) Contingent Assets are neither recognized nor disclosed in the financial statements.

1.11 Borrowing Costs

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset upto the date of completion. Other borrowing costs are charged to the Profit & Loss account.

1.12 Impairment of Assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the Profit & Loss account whenever the carrying amount of such assets exceeds its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/depreciation) had no impairment loss been recognized.

1.13

a) Securities issue expenses

Securities issue expenses including expenses incurred on increase in authorized share capital and premium payable on securities are adjusted against Securities Premium Account.

b) Premium payable on FCCB

Premium payable on redemption of FCCB is amortized proportionately till the date of redemption and is adjusted against the balance in Securities Premium account.

1.14 Lease

Where the Company has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of fair value or present value of minimum lease payment and liability is created for an equivalent amount. Each lease rental paid is allocated between liability and interest cost so as to obtain constant periodic rate of interest on the outstanding liability for each year.

Where significant portion of risks and reward of ownership of assets acquired under lease are retained by lessor, leases are classified as Operating lease. Equalized lease rentals for such leases are charged to Profit & Loss account.

1.15 Earnings per share

In determining the earnings per share, the Company considers the net profit after tax and post tax effect of any extra-ordinary/exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares considered for computing diluted earnings per share comprises the weighted average number of shares used for deriving the basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares which includes potential FCCB conversions. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

2. NOTES TO ACCOUNTS

2.1 Capital commitments and contingent liabilities

	₹ in crores	
	As at March 31, 2011	As at March 31, 2010
Capital Commitments * :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1.53	5.86
Contingent Liabilities not provided for in respect of:-		
Outstanding guarantees	679.10	664.63
Premium on redemption of FCCB (Refer Note no 2.6)	43.32	84.21
Estimated amount of claims against the Company not acknowledged as debts in respect of:		
- Disputed Income tax matters	6.22	3.07
- Disputed Sales tax matters	1.08	1.08
- Customer Claims	0.37	0.20
- Others**	15.42	18.32

* Except where amount is not ascertainable in respect of acquisitions as mentioned in note no.2.4.1

**Includes claim in respect of legal cases relating to Registrar & Transfer Services, which are reimbursable by the Principal to the extent of ₹ 0.74 crores (as at March 31, 2010 - ₹ 1.21 crores).

2.2. Qualified Institutional Placement Issue:

During the year, the Company has issued and allotted 22,900,099 fully paid-up Equity Shares, at a price of ₹ 78.60 per Equity Share (including premium of ₹ 68.60 per Equity Share), aggregating ₹ 179.99 crores on April 7, 2010. These shares rank pari passu with the existing shares of the Company with respect to dividend.

2.3 Employee Benefit Plans

The following table set out the status of the gratuity plan as required under AS 15 (Revised):

Reconciliation of Benefit Obligations and Plan Assets

	₹ in crores	
Change in benefit obligation	For the year ended March 31, 2011	For the year ended March 31, 2010
Obligation at the beginning of the year	14.26	13.12
Interest cost	1.14	1.02
Current Service cost	2.79	3.34
Benefits paid	(2.72)	(1.35)
Actuarial (gain)/loss in obligations	(1.86)	(1.87)
Obligation at year end	13.61	14.26

₹ in crores

Change in Fair value of plan assets	For the year ended March 31, 2011	For the year ended March 31, 2010
Fair value of plan assets at the beginning of the year	2.71	3.91
Expected return on the plan assets	0.22	0.30
Contributions by the employer	2.53	-
Benefits paid	(2.72)	(1.35)
Actuarial gain/(loss) on plan assets	0.17	(0.15)
Fair value of plan assets at year end	2.91	2.71

₹ in crores

Expenses recognized in Profit & Loss account	For the year ended March 31, 2011	For the year ended March 31, 2010
Current service cost	2.79	3.34
Interest cost	1.14	1.02
Expected return on plan assets	(0.22)	(0.30)
Net actuarial (gain)/loss recognized during the year	(2.03)	(1.71)
Expenses recognized in Profit & Loss account	1.68	2.35

₹ in crores

Reconciliation or Present Value of the obligation and the Fair value of the plan assets	As at March 31, 2011	As at March 31, 2010
Liability at year end	13.62	14.26
Fair value of plan assets at year end	2.91	2.71
Liability recognized in the balance sheet	10.71	11.55

Assumptions	As at March 31, 2011	As at March 31, 2010
Discount Rate	8.50% p.a	8.00% p.a
Expected Rate of Return on Plan Assets	8.25% p.a	8.00% p.a
Salary Escalation Rate	6.00% p.a	6.00% p.a

The liability recognized with respect to Gratuity in the balance sheet in respect of Dubai branch employees as on March 31, 2011 is ₹ 5.04 crores (as on March 31, 2010 - ₹ 5.70 crores).

The liability recognized with respect to leave encashment/entitlement in the balance sheet as on March 31, 2011 is ₹ 7.41 crores (as on March 31, 2010 - ₹ 7.49 crores).

2.4.1

In April 2008, the Company entered into a share purchase agreement with the owners of Locuz Enterprise Solutions Limited, Hyderabad, to acquire the 260,000 shares (representing 26% of the paid up equity capital of Locuz Enterprise Solutions Limited) for a consideration of ₹ 6.93 crores. In November, 2009, the Company acquired further 25% stake in Locuz Enterprise Solutions Limited for a consideration of ₹ 5.32 crores. In September 2010, the Company acquired further 23% stake in Locuz Enterprise Solutions Limited for a consideration of ₹ 10.55 crores, along with a commitment to acquire the balance of the paid up capital at a future date for additional consideration payable on achieving certain measurable criteria such as future revenue/profitability etc., as per the agreement.

2.4.2

(a) In May 2008, Company entered into a share purchase agreement with the owners of FinEng Solutions Private Limited, Mumbai to acquire the 60,165 shares (representing 51% of the paid up equity capital of FinEng Solutions Private Limited) for a consideration of ₹ 17.73 crores. In September 2009, the Company acquired additional 9% of the paid up capital of FinEng Solutions Private Limited for a consideration of ₹ 3.67 crores. As agreed in the Share Purchase Agreement, in October 2009 the Company made an upside payment of ₹ 2.71 crores to the Promoter Shareholders of FinEng Solutions Private Limited. In June 2010, the Parent Company acquired the balance 40% stake for a consideration of ₹ 15.86 crores.

(b) In July 2010, the Company entered into business purchase agreement with FinEng Solutions Private Limited. The Company has acquired / assumed the assets and liabilities at their respective book values.

2.4.3

(a) Profit on sale of investments of ₹ 0.70 crores represents sale of investments in aok Inhouse Factoring Services Ltd. (wholly owned subsidiary) to 3i Infotech BPO Limited (another wholly owned subsidiary), vide agreement dated April 5, 2010

(b) In May 2010, the Company has sold its investments in Delta Services (India) Private Limited to 3i Infotech Consultancy Services Limited at book value of ₹ 26.13 crores

(c)

(i) During the current year, the Company has sold its 100% stake in eMudhra Consumer Services Ltd. (formerly known as 3i Infotech Consumer Services Ltd.) (including its subsidiaries) at a value of ₹ 29.88 crores, out of which ₹ 15.00 crores has been received in the current year and balance consideration of ₹ 14.88 crores will be received as per the terms of the agreement before December 2011; and

(ii) Other receivable amounts of ₹ 25.00 crores from eMudhra Consumer Services Ltd. (formerly known as 3i Infotech Consumer Services Ltd.) have been converted into Zero Coupon Non Convertible Redeemable Preference Shares, redeemable by December 14, 2015

2.4.4 Effective April 1, 2010 the Company merged its Wholly owned subsidiaries viz., Stex Software Private Limited, KNM Services Private Limited and E-Enable Technologies Private Limited (whose businesses were acquired by the company in the earlier years) after obtaining the requisite court sanction and filing of necessary forms with Registrar of Companies in the month of March 2011. The amalgamation has been accounted for under the Pooling of interest Method as prescribed in the AS -14 "Accounting for Amalgamations"

Accordingly, the company's investments of ₹ 24.75 crores in the aforesaid companies has been accounted as Goodwill and is being amortised over a period of 5 years.

2.4.5 During the current year, the Company has sold its 100% stake in its subsidiary 3i Infotech Insurance & Reinsurance Brokers Ltd. for a consideration of ₹ 0.05 crores. The difference between the carrying value of investment and sale proceeds is accounted as loss on sale of investment and charged to Profit and loss account.

2.4.6 During the current year, the Company has reassigned its Intellectual Property Rights and Marketing rights in certain software products from its subsidiary in China to its subsidiary in Dubai at its carrying value in books of USD 7.50 million. Out of the total consideration, USD 6.00 million has been received in the current year and the balance will be received in due course of time.

2.4.7 During the year the company repurchased 100% shares of HCCA Business Services Pvt. Ltd. from 3i Infotech BPO Ltd., for a consideration of ₹ 21.97 crores

2.5 As at March 31 2011, the Company has no outstanding dues to micro, small and medium enterprises. There is no liability towards interest on delayed payments under the Micro, Small and Medium Enterprises Development Act, 2006 during the year.

There is also no amount of outstanding interest in this regard brought forward from the previous year.

The above information is on the basis of intimation received by the Company, on request made to all vendors in the course of vendors' registration under the said Act.

2.6 Foreign Currency Convertible Bonds (FCCB)

The Company has issued Foreign Currency Convertible Bonds (FCCB) at different points of time, the details of such FCCB issues are summarized as follows:

	First Issue	Third Issue	Fourth Issue
Issue currency	USD	EURO	USD
Issue size	50 million	30 million	100 million
Issue date	March 16, 2006	Apr 2, 2007	Jul 26, 2007
Maturity date	March 17, 2011	Apr 3, 2012	Jul 27, 2012
Coupon rate	Zero coupon	Zero coupon	Zero coupon
Conversion price—post bonus	₹ 115.00	₹ 154.32	₹ 165.94
Fixed exchange rate of conversion	₹ 44.35	₹ 57.60	₹ 40.81
Early redemption option *	Yes	Yes	Yes
Conversions as at – March 31, 2011 March 31, 2010	29.80 million 29.80 million	NIL NIL	NIL NIL
Bought back as at – March 31, 2011 March 31, 2010	NIL NIL	10.00 million 10.00 million	33.63 million 33.63 million
Contingent premium payable as at – (₹ in crores) March 31, 2011 March 31, 2010	NIL 14.62	10.12 19.45	33.20 50.14

Note - The second issue was converted into equity as per the terms of the issue.
Out of 50 million of first issue, 29.80 million was converted as per the terms of issue and the balance was redeemed and premium of ₹ 36.35 crores has been adjusted from Premium payable on Redemption of FCCB

* Subject to certain criteria as per offer document.

2.7

(i) During the previous year, the Company had bought back and cancelled FCCBs (out of the third and the fourth issues) of face value of EUR 6,000,000 and USD 8,500,000 equivalent to ₹ 82.42 crores at a discount resulting in reduction of liability by ₹ 29.19 crores. The same had been shown as exceptional income in the Profit & Loss account

(ii) During the previous year, the Company had incurred an amount of ₹ 1.33 crores towards professional fees in respect of the aforesaid buyback. The same had been shown as exceptional expenditure in the Profit & Loss account.

2.8 During the previous year the Company had exited from agreements with various State Governments in respect of setting up and operating Citizen Service Centers' and loss of ₹ 260.46 crores thereon was disclosed as 'Impact Of Discontinuing Operations'

2.9 Managerial Remuneration:

a) Whole-time Directors *

For the year ended March 31, 2011

₹ in crores

Name of Directors	Salary & other allowances	PF & other contributions	Perquisites	Total
Amar Chintopanth	3.41	0.12	0.01	3.54
Anirudh Prabhakaran**	1.79	0.02	0.01	1.82

For the year ended March 31, 2010

₹ in crores

Name of Directors	Salary & other allowances	PF & other contributions	Perquisites	Total
Amar Chintopanth	3.10	0.11	0.01	3.22
Anirudh Prabhakaran	1.54	0.03	0.01	1.58

* Excluding contribution to the gratuity fund and provision for leave entitlement, since determined for the Company as a whole but including monetary value of the perquisites computed as per the Income Tax Rules, wherever necessary.

** Includes ₹ 0.33 crores severance compensation

** Till November 2, 2010

b) Other than Whole-time Directors

₹ in crores

	For the year ended March 31, 2011	For the year ended March 31, 2010
Commission	0.30	1.00
Sitting fees	0.15	0.15

Computation of Net Profit under Section 198, 309 and 349 of the Companies Act, 1956:

₹ in crores

	For the year ended March 31, 2011	For the year ended March 31, 2010
Net Profit/(Loss) as per Profit and Loss Account	119.39	(99.61)
Add : Loss from discontinuing operations*	NIL	260.46
Net Profit/(Loss) after Taxation as per Profit and Loss Account	119.39	160.85
Add: a. Provision for Current taxes under Income Tax Act, 1961	(11.28)	3.06
b. Directors Commission	0.30	1.00
Net Profit/(Loss) to ascertain commission	108.41	164.91

payable to Director		
Add: a. Directors Remuneration	5.36	4.80
b. Directors Sitting Fees	0.15	0.15
Net Profit/(Loss) to ascertain remuneration to Directors	113.92	169.86
Percentage of Commission payable to Non whole time directors	0.28%	0.61%
Percentage of Remuneration paid to Directors	4.71%	2.83%

*loss from discontinuing operations have been considered as capital losses for the purpose of this computation, based on an expert opinion obtained.

2.10 Leases:

a. Operating Lease:

(i) The Company has acquired certain Land and Building under a lease arrangement for a period of sixty years at a premium of ₹ 0.50 crores starting from December 4, 2000 for Land and ₹ 15.62 crores starting from March 13, 2000 and ₹ 5.05 crores from March 1, 2003 for building and the same is being amortized over the lease period. All other lease arrangements in respect of properties are renewable/cancelable at the Company's and/or lessors' option as mutually agreed. The future lease rental payment that the Company is committed to make is:

	₹ in crores	
	As at March 31, 2011	As at March 31, 2010
- within one year	17.47	19.22
- later than one year and not later than five years	19.16	9.81
-later than 5 years	22.78	23.25

(ii) The Company avails from time to time non-cancellable long-term leases for computers, furniture & fixtures and office equipments. The total of future minimum lease payments that the Company is committed to make is:

	₹ in crores	
	As at March 31, 2011	As at March 31, 2010
- within one year	106.51	65.75
- later than one year and not later than five years	158.25	116.34
- later than 5 years	-	-

b. Financial Lease:

There were no financial leases entered into by the Company.

2.11 Auditors' Remuneration:

	₹ in crores	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Audit Fees	1.71	0.85
Tax Audit Fees	0.09	0.09
Certification Fees*	0.10	0.33
Re-imbursement of out of pocket expenses	0.10	0.11
For Service Tax	0.21	0.14
Total	2.21	1.52

*Includes ₹ 0.3 crores pertaining to QIP issue expenses, debited to Securities Premium Account

2.12 Cost of third party products/outsourced services includes:

₹ in crores

	For the year ended March 31, 2011	For the year ended March 31, 2010
IT Outsourced Cost	40.93	38.73
Commission on sales	1.12	1.33
Infrastructure Charges	14.29	13.35
Transaction Processing Charges	12.81	10.88
Non IT - Outsourced cost	32.74	22.53
Purchases – Hardware/ Software	19.93	10.54
Repairs & Maintenance – Computers	4.90	2.37
Non IT Facilities Management Rent & Office Expenses	2.02	14.41
Total	128.74	114.14

2.13 Deferred taxation:

The break - up of net deferred tax liability/(asset) is as under:

₹ in crores

	As at March 31, 2011	As at March 31, 2010 *
Deferred Tax Asset:		
Unabsorbed losses/depreciation	73.80	42.13
Expenses allowable on payment and others (including provision for doubtful debts)	27.13	21.30
	100.93	63.43
Deferred Tax Liability:		
Fixed Assets (depreciation/amortization)	(2.73)	(28.92)
Net Deferred Tax Liability/(Asset)	(103.66)	(92.35)

* Deferred tax balance in respect of companies merged/business purchased during the year is included.

2.14 Earnings Per Share

The earnings per share have been computed in accordance with the 'Accounting Standard 20 – Earnings Per Share'.

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share are as follows:

	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit as per accounts (₹ in crores)	119.39	132.99
Less: Dividend on preference shares paid (incl. Corporate taxes) (₹ in crores)	(6.21)	(6.21)
Less: Dividend on preference shares accrued but not declared (incl. Corporate taxes) (₹ in crores)	(1.20)	(1.22)

Profit attributable to Equity Shareholders before exceptional items and impact of discontinuing operations (₹ in crores)	A	111.98	125.56
Add: Profit/(Loss) due to exceptional items and impact of discontinuing operations (₹ in crores)		-	(232.60)
Profit/(Loss) attributable to Equity Shareholders after exceptional items and impact of discontinuing operations (₹ in crores)	B	111.98	(107.04)
Weighted average number of Equity Shares outstanding during the year (Nos.)	C	191,376,215	150,319,823
Add : Effect of dilutive issues of options/QIP (Nos.)		803,053	1,839,361
Diluted weighted average number of Equity Shares outstanding during the year (Nos.)	D	192,179,268	152,159,184
Nominal value of Equity Shares (₹)		10	10
Before exceptional items and impact of discontinuing operations Basic EPS (₹)	A/C	5.85	8.35
Diluted EPS (₹)	A/D	5.83	8.25
After exceptional items and impact of discontinuing operations Basic EPS (₹)	B/C	5.85	(7.12)
Diluted EPS (₹)	B/D	5.83	(7.04)

2.15 Employee Stock Option Plan (ESOP)

The Company's Employees Stock Option Plan provides for issue of equity option up to 25% of the paid-up Equity Capital to eligible employees. The scheme covers the managing director, whole time directors and the employees of the subsidiaries, the erstwhile holding Company and subsidiaries of the erstwhile holding Company, apart from the employees of the Company. The options vest in a phased manner over three years with 20%, 30% and 50% of the grants vesting at the end of each year from the date of grant and the same can be exercised within ten years from the date of the grant by paying cash at a price determined on the date of grant.

Method used for accounting for the share based payment plan:

The Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted Market price of the underlying share as on the date of grant exceeds the exercise price of the option.

Summary of the options outstanding under the Employees Stock Option Plan (ESOP):

	As at March 31, 2011		As at March 31, 2010	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at beginning of the year	25,165,924	105.29	26,737,126	105.87

Granted during the year	25,000	76.00	945,000	83.16
Exercised during the year	(326,504)	48.27	(509,000)	49.16
Forfeited/lapsed during the year	(2,623,100)	120.16	(2,007,202)	116.88
Options outstanding at end of the year*	22,241,320	104.34	25,165,924	105.29
Vested options pending exercise	18,858,820	101.58	16,800,424	96.25

*Includes 3,187,000 options granted to managing director/whole time directors and non-executive directors (for the year ended March 31, 2010- 3,767,000 options).

Weighted average Market price of the shares with respect to stock options exercised during the year ended March 31, 2011 is ₹ 60.28 (during the year ended March 31, 2010 ₹ 76.68).

The following summarizes information about stock options outstanding:

As at March 31, 2011

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (years)	Weighted average Exercise Price (₹.)
₹ 37 to ₹ 50	4,362,010	4	49.30
₹ 57 to ₹ 150	17,879,310	6	117.76

As at March 31, 2010

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (years)	Weighted average exercise price (₹)
₹ 37 to ₹ 50	4,720,714	5	48.93
₹ 57 to ₹ 150	20,445,210	7	118.33

Fair Value methodology for the option

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of ₹ 58.00 to ₹ 143.38 using the Black-Scholes pricing model. The Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	As at March 31, 2011	As at March 31, 2010
Dividend yield	1.15% - 2.84%	1.15% - 2.84%
Expected volatility	50.63% - 57.91%	50.63% - 57.91%
Risk-free interest rate	5.71% - 6.36%	5.71% - 6.36%
Expected life of Option	3 - 10 yrs	3 - 10 yrs

Impact of Fair value method on Net Profit and EPS before exceptional items and impact of discontinuing operations

Had the compensation cost for the Company's Stock Option Plan outstanding been determined based on the fair value approach, the Company's net profit and earnings per share would have been, as indicated below:

	₹ in crores	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit attributable to Equity Shareholders	111.98	125.56
Less: Stock based compensation expense determined under fair value based method	4.98	14.70
Net Profit :	107.00	110.86
Basic earnings per share (as reported)	5.85	8.35
Basic earnings per share (under fair value method)	5.59	7.37
Diluted earnings per share (as reported)	5.83	8.25
Diluted earnings per share (under fair value method)	5.57	7.30

2.16 Amount of exchange difference (net) credited to Profit & Loss account during the year ended March 31, 2011 is ₹ 4.58 crores (for the year ended March 31, 2010 credited ₹ 2.08 crores).

2.17 Related Party Transactions:

1. The parties where control exists -

Foreign Subsidiaries -

No.	Name of Subsidiary	Country of Incorporation
1	3i Infotech Inc.	USA
2	3i Infotech Asia Pacific Pte Limited	Singapore
3	3i Infotech SDN BHD	Malaysia
4	3i Infotech UK Limited	UK
5	3i Infotech (Thailand) Limited	Thailand
6	3i Infotech (Western Europe) Holdings Limited	UK
7	3i Infotech (Western Europe) Group Limited	UK
8	3i Infotech (Western Europe) Limited	UK
9	Rhyme Systems Limited	UK
10	3i Infotech Holdings Private Limited	Mauritius
11	3i Infotech Saudi Arabia LLC	Saudi Arabia
12	3i Infotech Financial Software Inc.	USA
13	3i Infotech (Africa) Limited	Kenya
14	Professional Access Limited	USA
15	3i Infotech (Middle East) FZ LLC	Dubai
16	J&B Software Inc.	USA
17	J&B Software (Canada) Inc.	Canada
18	Black Barret Holdings Limited	USA
19	3i Infotech (Flagship-UK) Limited	UK
20	3i Infotech Frameworks Limited	UK
21	3i Infotech (Australia) Pty Limited	Australia
22	3i Infotech Services (Bangladesh) Private Limited	Bangladesh
23	3i Infotech (Kazakhstan) LLC	Kazakhstan
24	Regulus Group LLC	USA
25	Regulus Integrated Solutions LLC	USA

26	Regulus America LLC	USA
27	Regulus Tristate LLC	USA
28	Regulus West LLC	USA
29	Regulus Holdings Inc.	USA
30	Regulus Group II LLC	USA
31	Elegon Infotech Limited #	China
32	3i Infotech Consulting Inc. (Merged with 3i Infotech Inc w.e.f. December 2010)	USA
33	3i Infotech Services SDN BHD (formerly known as Datacons Asia Pacific SDN BHD)	Malaysia
34	Lantern Systems Inc. (Merged with 3i Infotech Inc w.e.f. December 2010)	USA
35	Objectsoft Group Inc. (Merged with 3i Infotech Inc w.e.f. December 2010)	USA
36	E power Inc. (Merged with 3i Infotech Inc w.e.f. December 2010)	USA
37	3i Infotech Consulting Services SDN BHD (upto December 2010)	Malaysia

considered as joint venture till September '09

Indian Subsidiaries –

No.	Name of Subsidiary
1	Delta Services (India) Private Limited (Merged with 3i Infotech Consultancy Services Limited)
2	3i Infotech Trusteeship Services Limited
3	E-Enable Technologies Private Limited (Merged with 3i Infotech Limited w.e.f. April1, 2010)
4	aok In-house BPO Services Limited
5	aok In-house Factoring Services Private Limited
6	KNM Services Private Limited (Merged with 3i infotech Limited w.e.f. April 1, 2010)
7	Professional Access Software Development Private Limited
8	HCCA Business Services Private Limited
9	Manipal Informatics Private Limited Limited (Merged with 3i Infotech Consultancy Services Limited)
10	3i Infotech BPO Limited
11	J&B Software (India) Private Limited
12	FinEng Solutions Private Limited (upto July 1, 2010)
13	Locuz Enterprise Solutions Limited
14	3i Infotech Consultancy Services Limited
15	Stex Software Private Limited (Merged with 3i Infotech Limited w.e.f. April1, 2010)
16	Taxsmile.com India Private Limited (upto September 2010)
17	eMudhra Consumer Services Ltd. (formerly known as 3i Infotech Consumer Services Ltd.) (upto September 2010)
18	Access Matrix Technologies Private Limited (upto September 2010)
19	CCH Prosystem India Private Limited (formerly known as Antariksh Interactive Pvt. Ltd.) (upto September 2010)
20	3i Infotech Insurance & Reinsurance Brokers Limited (upto December 2010)
21	Regulus BPO Limited (incorporated on March 24, 2011)

2. Other related parties with whom transactions have been entered into in the ordinary course of business:-

Directors / Key Management Personnel: Mr. V Srinivasan (Managing Director), Mr. Amar Chintopanth (Deputy Managing Director & CFO), Mr. Anirudh Prabhakaran (Executive Director & President – South Asia) till 2nd November 2010.

The following transactions were carried out during the year:

₹ in crores

	For the year ended March 31, 2011	For the year ended March 31, 2010
Subsidiaries – 3i Infotech Inc		
Income	59.75	33.42
Rent Expense	0.55	0.58
Purchase of Software	(8.93)	27.91
Corporate guarantees given/ (released)	(65.97)	135.09
Subsidiaries – 3i Infotech Holdings Private Limited, Mauritius		
Conversion from Preference shares to Equity	92.97	201.83
Investment in Redeemable Convertible Preference Shares	-	68.95
Advances given/(repaid)	0.48	0.96
Share application money pending allotment	(12.91)	51.72
Investments made in Equity shares	162.06	199.70
Subsidiaries – 3i Infotech (UK) Limited and its subsidiaries		
Income	1.03	0.74
Investments made in Equity shares	8.76	
Conversion from Preference shares to Equity	-	116.67
Share application money pending allotment	(9.97)	9.97
Subsidiaries – Delta Services (I) Private Limited		
Advances given/(repaid)	-	(2.82)
Loan granted/(repaid)	-	(0.79)
Corporate guarantee given/(released)	-	(8.70)
Investments sold to 3i Infotech Consultancy Services Ltd.	(26.13)	-
Investment in Equity Shares	-	15.93
Subsidiaries – 3i Infotech (Middle East) FZ LLC		
Income	23.05	13.49
Advances given/(repaid)	-	(41.87)
Corporate guarantee given/(released)	41.13	
Purchase of Services	-	0.06
Sale of IPR	34.21	-
Subsidiaries – Taxsmile.com India Private Limited		
Interest income	-	0.98
Income	0.46	0.94
Loans granted/(repaid)	(10.99)	0.74
Advances given/(received)	(3.57)	(2.23)
Investments in Equity Shares	-	(2.08)
Subsidiaries – Elegon Infotech Limited		
Income	0.01	-
Investment in Equity Shares	-	8.48
Share application money pending allotment	(35.17)	33.92

Purchase of IPR	34.21	-
Purchase of Services	17.03	12.73
Corporate guarantees given / (released)	8.27	-
Subsidiaries –FinEng Solutions Pvt. Limited		
Purchase of Services	-	0.43
Investment in Equity Shares	15.87	6.38
Subsidiaries –3i Infotech Consultancy Services Limited		
Purchase of Services	58.74	-
Investment in Equity Shares	28.95	7.99
Share application money pending allotment	-	-
Advances given/(repaid)	-	(5.79)
Sale of Investments from Delta	26.13	-
Subsidiaries –3i Infotech BPO Limited		
Income	2.14	-
Purchase of Services	0.01	-
Loans granted/(repaid)	(0.54)	0.05
Investment in Equity Shares	50.60	-
Advances given/(repaid)	(45.82)	45.20
Interest Expense	-	0.01
Subsidiaries Locuz Enterprise Solutions Limited		
Income	10.44	11.08
Purchase of Services	12.69	1.75
Investment made	10.55	5.32
Advances given/(repaid)	-	10.93
Corporate guarantees given/(released)	17.00	-
Subsidiaries – Others		
Income	23.90	23.50
Interest Income	-	0.11
Purchase of Services	11.89	76.43
Sale of software	8.93	-
Loans granted/(repaid)	2.93	(0.08)
Investment in Equity Shares	(15.24)	40.35
Advances given/(repaid)	(9.10)	(2.79)
Loans taken/(repaid)	1.96	3.25
Sale of Investments	-	45.01
Corporate guarantees given/(released)	1.20	-
Interest Expense	0.28	1.50
Share Application Money	(0.06)	-
Directors, Key Management Personnel and their relatives		
Remuneration / fees	5.36	4.80
Expenses	0.33	0.62

₹ in crores

	Outstanding balance as at March 31, 2011	Outstanding balance as at March 31, 2010
Subsidiaries – 3i Infotech Inc		
Financial Guarantee	20.38	20.26
Sundry Debtors	-	-
Sundry Advances	243.16	82.23
Corporate guarantees outstanding	487	552.97
Subsidiaries - 3i Infotech Holdings Private Limited, Mauritius		
Investment in Equity Shares	952.07	697.75
Sundry Advances	1.44	0.96
Investment in Redeemable Convertible Preference Shares	428.23	510.99
Share Application Money	38.81	51.72
Subsidiaries - 3i Infotech (UK) Limited and its subsidiaries		
Investment in Equity Shares	355.73	346.97
Sundry Creditors	6.25	14.79
Share Application Money	-	9.97
Subsidiaries – Delta Services(I) Pvt.Ltd.		
Investment in Equity Shares	-	26.13
Corporate guarantees outstanding	-	7.85
Subsidiaries - 3i Infotech (Middle East) FZ LLC		
Sundry Advances	-	31.13
Corporate Guarantees Outstanding	108.68	67.55
Sundry Creditors	8.14	-
Subsidiaries - Taxsmile.com India Private Limited		
Loan Granted	-	10.99
Other Advances	-	3.57
Subsidiaries – Elegon Infotech Limited		
Investment in Equity Shares	11.82	11.81
Sundry Creditors	7.08	2.55
Corporate Guarantees Outstanding	8.27	-
Share Application Money	-	35.17
Subsidiaries – Locuz Enterprise Solutions Limited		
Investment in Equity Shares	22.80	12.25
Corporate Guarantees Outstanding	29.00	12.00
Sundry Debtors	16.88	10.93
Subsidiaries –3i Infotech Consultancy Services Limited		
Investment in Equity Shares	37.04	8.09
Sundry Creditors	8.49	9.29
Corporate Guarantees Outstanding	6.05	-
Subsidiaries –FinEng Solutions Pvt. Limited		
Investment in Equity Shares	39.97	24.11
Sundry Creditors	12.83	0.15
Subsidiaries –3i Infotech BPO Limited		
Investment in Equity Shares	66.71	16.11
Loan Granted	-	0.54
Other Advances		45.82
Creditors	16.52	-

Subsidiaries – Others		
Investment in Equity Shares	55.29	70.53
Corporate Guarantees Outstanding	5.20	4.00
Loan Granted	5.34	2.41
Other Advances	-	9.10
Sundry Debtors	89.53	43.57
Sundry Creditors	1.23	11.11
Share Application Money	0.04	0.10
Loan Taken	5.21	3.25

3. Related party as identified by the management and relied upon by the auditor.
4. No balances in respect of the related parties have been provided for/written back/ written off except as stated above.
5. Maximum balances due from the above parties:

₹ in crores

	Maximum balance outstanding during the year ended March 31, 2011	Maximum balance outstanding during the year ended March 31, 2010
Loans		
a. Delta Services (India) Private Limited	-	-
b. 3i Infotech BPO Limited	0.54	0.54
c. aok In-house BPO Services Limited	-	2.17
d. aok In-house Factoring Services Private Limited	-	0.82
Other Advances		
a. 3i Infoteck Inc	214.22	-
b. 3i Infotech Holdings Private Limited	-	10.20
c. 3i Infotech Trusteeship Private Limited	-	2.05
d. 3i Infotech (Middle East) FZ LLC	-	152.13
e. 3i Infotech BPO Limited	-	47.70
f. Locuz Enterprise Solutions	-	0.08
g. Professional Access Pvt.Limited	-	0.89
h. 3i Infotech Services (Bangladesh) Pvt. Limited.	-	1.66

Note: As at March 31, 2011 none of the above Subsidiaries held any shares in the Parent Company (as at March 31, 2010 Nil)

2.18

(a) In the opinion of the Board, the investments, current assets, loans and advances are realizable at a value, which is at least equal to the amount at which these are stated, in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amount stated.

(b) The accounts of certain Sundry Debtors, Creditors, Loans & Advances and banks are, however, subject to confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.

2.19 Quantitative Details:

The Company's operations comprise of Software Development Consultancy, Services and Software Products. The production and sale of software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

2.20

(a) The Company has started reporting two Operating Segments, 'IT Solutions' and 'Transaction Service' from current year as against to the segments 'IT Products', 'IT Services' and 'Transaction Services' hitherto being reported.

(b) As the Company has increasingly commenced providing bundled solutions to clients, combining products & services, the management is viewing the entire IT business as a solution based segment. The change in reporting segment is in line with this change in the business offering.

2.21 Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2011:-

₹ in crores					
Particulars	Currency type	As at March 31, 2011		As at March 31, 2010	
		Amount (Foreign currency in crores)	Amount (₹ in crores)	Amount (Foreign currency in crores)	Amount (₹ in crores)
Foreign Currency Convertible Bonds	USD	6.64	300.55	8.66	389.81
	EUR	2.00	127.69	2.00	121.18
Redeemable Convertible Preference Shares	GBP	-	-	-	-
	USD	6.64	300.55	8.66	389.81
	EUR	2.00	127.69	2.00	121.18
Current Assets, Loans and Advances	USD	5.92	267.92	2.19	98.83
	SGD	0.51	18.22	0.29	9.38
	MUR	0.10	1.44	0.63	0.96
	SAR	2.70	32.63	1.28	15.40
	KES	11.18	5.99	5.43	3.28
	AED	-	-	2.55	31.29
	CNY	-	-	0.39	2.55
	BDT	1.39	0.85	3.02	2.01
	GBP	-	-	0.00	0.09
Current Liabilities	GBP	0.09	6.25	0.22	14.79
	AED	0.66	8.14	-	-
	CNY	1.03	7.08	-	-

2.22 Residual Dividend represents dividend on shares issued (entitled to previous year dividend) between the date of proposed dividend and record date.
Residual dividend of ₹ 4.03 crores (inclusive of tax of ₹ 0.57 crores) (for the year ended March 31, 2010 ₹ 0.02 crores (inclusive of tax of ₹ 0.00 crores)), is appropriated out of Profit & Loss account.

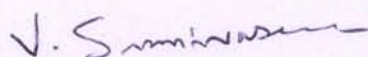
2.23 CIF value of imports & expenditure in foreign currency:

	₹ in crores	
	For the year ended March 31, 2011	For the year ended March 31, 2010
a. CIF value of import of:		
Capital goods	0.07	43.42
b. Expenditure in foreign currency in respect of:		
(i) Cost of outsourced services and bought out items	5.86	0.80
(ii) Travelling and other expenses	5.35	12.04
(iii) Dubai branch expenses * (net of chargeouts)	8.55	7.47
c. Dividend remitted in foreign currency		
Number of shares	4,634,536	4,634,536
Dividend for the year	2009-10	2008-09
Amount remitted	0.69	0.69
d. Earnings in foreign currency		
(i) Income from operations	173.91	168.69

*Including Professional and Consultancy charges ₹ 1.61 crores, (for the year ended March 31, 2010 ₹ 1.50 crores) and Commission paid/payable to agents ₹ 0.07 crores (for the year ended March 31, 2010 ₹ 0.04 crores).

- 2.24a) Figures for the previous year have been re-grouped/re-arranged, wherever considered necessary to conform to current year's presentation.
b) ₹ 0.00 crores denotes figures less than ₹ 50,000.

Signatures to Schedules "I" to "XIV" For and on behalf of the Board



V Srinivasan
Managing Director



Dileep C. Choksi
Director & Chairman of Audit Committee



Amar Chintopanth
Deputy Managing Director & CFO



Shivanand R Shettigar
Company Secretary

Dubai, April 22, 2011

3i INFOTECH LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

CIN No	U67120MH1993PTC074411	State Code	11
Balance sheet Date	March 31, 2011		

II. Capital raised during the year (Amount in Rs. crores)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	22.9
ESOS Allotment	0.33		

III. Position of Mobilization and Deployment of Funds (Amount in Rs. crores)

Total Liabilities	3,063.34	Total Assets	3,063.34
Source of Funds :		Reserves and Surplus	776.25
Paid-up Capital	291.99	Unsecured Loans	1,122.16
Secured Loans	720.49	Deferred Tax Liability	Nil
Application of funds :		Investments	1,969.78
Net Fixed Assets	218.05	Miscellaneous Expenditure	Nil
Net Current Assets	771.85	Deferred Tax Asset	103.66
Accumulated Losses	Nil		

IV. Performance of Company (Amount in Rs. crores)

Turnover	578.62	Total Expenditure	470.47
Profit Before Tax	108.15	Profit After Tax and impact of discontinuing operations	119.39
Earning per Share in Rs.	5.85	Dividend (excluding Tax)	28.80

V. Generic Name of Principal Product/Service of the Company (as per monetary terms)

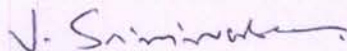
Item Code No. :

Not applicable

Product and Service Description :

IT Enabled Transaction Processing Services
Software Development and Consulting Services
Development and sale of software products and services affiliated to these products
IT Infrastructure Networking & Facilities Management Services
Transaction Services
Others

For and on behalf of the Board



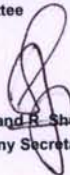
V Srinivasan
Managing Director



Amar Chintopanth
Deputy Managing Director & CFO



Dileep C. Choksi
Director & Chairman of Audit
Committee



Shivanand B. Shettiger
Company Secretary

Dubai,
Dated : April 22, 2011

