



3i Infotech Limited (CIN: CL76120MH1993PLC074411)

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

Email: investors@3i-infotech.com

Website: www.3i-infotech.com

Tel No.: 022-6792 8000

Part I : Statement of Consolidated Audited Financial Results for the quarter and nine months ended December 31, 2014

(Rupees in Lacs)

Particulars	3 months ended (31/12/2014) Audited	Preceding 3 months ended (30/09/2014) Audited	Corresponding 3 months ended in the previous year (31/12/2013) Audited	Year to Date figures for current period ended (31/12/2014) Audited	Year to Date figures for previous period ended (31/12/2013) Audited	Figures for Previous Year Ended 31/03/2014 Audited
1 Net Sales/Income from Operations	31,963	35,547	34,411	103,869	97,319	130,789
2 Expenses						
a. Employee benefits expense	17,553	19,131	22,086	57,705	62,554	84,144
b. Depreciation and amortisation expense	5,412	5,279	6,521	17,162	18,062	25,642
c. Item exceeding 10% of the total expenses :						
Cost of third party products / outsourced services & bought out items	5,996	7,419	5,568	20,680	12,927	18,718
d. Other expenses	3,958	4,890	3,628	14,190	13,872	18,809
e. Foreign exchange loss (net)	2,043	714	-	2,836	-	-
Total Expenses	34,962	37,433	37,803	112,573	107,416	147,313
3 Profit (+) / Loss (-) from operations before other income, finance costs and exceptional items (1-2)	(2,999)	(1,886)	(3,392)	(8,704)	(10,096)	(16,524)
4 Other Income	138	158	5,670	431	11,783	13,061
5 Profit (+) / Loss (-) from ordinary activities before finance costs and exceptional items (3+4)	(2,861)	(1,728)	2,278	(8,273)	1,687	(3,463)
6 Finance costs	5,073	5,289	9,444	16,416	25,261	32,110
7 Profit (+) / Loss (-) from ordinary activities after finance costs but before exceptional items (5-6)	(7,934)	(7,017)	(7,166)	(24,689)	(23,574)	(35,573)
8 (Less) : Exceptional Items	21,958	9,609	-	31,567	-	-
9 Profit (+) / Loss (-) from ordinary activities before tax (7-8)	(29,892)	(16,626)	(7,166)	(56,256)	(23,574)	(35,573)
10 Less / (Add): Tax expense	88	1,133	461	1,731	1,918	133
11 Net Profit (+) / Loss (-) from ordinary activities after tax (9-10)	(29,980)	(17,759)	(7,627)	(57,987)	(25,492)	(35,706)
12 Add / (Less) : Impact of Discontinuing Operations/exceptional items	-	-	-	-	-	-
13 (Less)/Add: Minority Interest	(21)	(28)	(10)	(32)	(22)	50
14 Net Profit (+) / Loss (-) after taxes, minority interest and discontinuing operations (11-12-13+14)	(29,959)	(17,787)	(7,637)	(58,019)	(25,514)	(35,756)
15 Paid-up equity share capital	58,612	58,068	57,194	58,612	57,194	57,264
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
16 Reserves excluding Revaluation Reserves (including Securities Premium)						(4,191)
17 Earnings Per Share (EPS)						
Earnings Per Share (before exceptional items and discontinuing operations)						
Basic (Rs.)	(1.46)	(1.49)	(1.42)	(4.66)	(4.55)	(6.33)
Diluted (Rs.)	(1.46)	(1.49)	(1.42)	(4.66)	(4.55)	(6.33)
Earnings Per Share (after exceptional items and discontinuing operations)						
Basic (Rs.)	(5.23)	(3.15)	(1.42)	(10.12)	(4.55)	(6.33)
Diluted (Rs.)	(5.23)	(3.15)	(1.42)	(10.12)	(4.55)	(6.33)

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 Part II : Select information for the quarter and nine months ended as on December 31, 2014

Tel No.: 022-6792 8000

(Rupees in Lacs)

Particulars	3 months ended (31/12/2014) Audited	Preceding 3 months ended (30/09/2014) Audited	Corresponding 3 months ended in the previous year (31/12/2013) Audited	Year to Date figures for current period ended (31/12/2014) Audited	Year to Date figures for previous period ended (31/12/2013) Audited	Figures for Previous Year Ended 31/03/2014 Audited
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
Number of shares	547,085,736	541,639,290	532,903,274	547,085,736	532,903,274	533,608,188
Percentage of shareholding	93.34%	93.27%	93.17%	93.34%	93.17%	93.18%
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	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%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	6.66%	6.73%	6.83%	6.66%	6.83%	6.82%
B INVESTOR COMPLAINTS						
For the 3 months ended December 31, 2014:						
Pending at the beginning of the quarter	NIL					
Received during the quarter	1					
Disposed off during the quarter	1					
Remaining unresolved at the end of the quarter	NIL					



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Website: www.3i-infotech.com

Tel No.:022-6792 8000

Part I : Statement of Consolidated Audited Financial Results for the quarter and nine months ended December 31, 2014

(Rupees in Lacs)

Particulars	3 months ended (31/12/2014) Audited	Preceding 3 months ended (30/09/2014) Audited	Corresponding 3 months ended in the previous year (31/12/2013) Audited	Year to Date figures for current period ended (31/12/2014) Audited	Year to Date figures for previous period ended (31/12/2013) Audited	Figures for Previous Year Ended 31/03/2014 Audited
1 Segment Revenue						
a IT Solutions	30,376	33,978	32,579	99,022	91,436	123,066
b Transaction Services	1,588	1,569	1,832	4,847	5,883	7,723
Total Net sales/Income From Operations (a+b)	31,963	35,547	34,411	103,869	97,319	130,789
2 Segment Results (Gross Profit)						
a IT Solutions	8,571	8,418	7,606	26,631	21,092	28,120
b Transaction Services	473	377	425	1,063	823	1,277
Total	9,044	8,795	8,031	27,694	21,915	29,397
Less: Selling and Other expenses	6,631	5,402	4,902	19,236	13,949	20,280
Finance costs	5,073	5,289	9,444	16,416	25,261	32,110
Depreciation & Amortisation	5,412	5,279	6,521	17,162	18,062	25,642
Add: Un-allocable income	138	158	5,670	431	11,783	13,061
Total Profit (+) / Loss (-) Before Tax	(7,934)	(7,017)	(7,166)	(24,689)	(23,574)	(35,573)

The 3i Infotech group ("group") undertakes sale of 'IT solutions' (software products & services, software development, consulting and IT infrastructure services) and 'Transaction services' (IT enabled services). These businesses have been considered as "Primary segments". The segment results have been arrived at before allocating certain expenses which are un-allocable in nature and are disclosed as "Selling and 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 disclosed.



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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 February 10, 2015.
- b) During the current quarter, the Company has allotted 4,001,699 equity shares at a price of Rs.16.50 per share aggregating to Rs.660.28 Lacs against conversion of Foreign Currency Convertible Bonds (FCCBs).
- c) During the current quarter, the Company allotted 1,444,747 equity shares at a price of Rs.19.74 per share aggregating to Rs.285.19 lacs against conversion of sacrifice interest liability.
- d) In respect of auditors' observation on net deferred tax asset of Rs.12,535 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, enabling reversals of deferred tax assets already recognized for earlier years.
- e) (i) During the previous quarter, the Group sold its e-Commerce business, consisting of the entity Professional Access US and the business undertaking of Professional Access India. The said transaction has resulted in profit of Rs.9,705 lacs. Consequent to the sale of the business, Goodwill arising on Consolidation amounting to Rs.26,227 lacs and credit pertaining to the said Goodwill in translation reserve amounting to Rs.6,913 lacs has been adjusted against the aforesaid profit, resulting in loss of Rs.9,609 lacs, which has been included in Exceptional item.
- (ii) During the current quarter, the Group sold its Wealth Management business, consisting of the step down subsidiaries, viz, 3i Infotech Western Europe Limited and 3i Infotech (Flagship -UK) Limited. The said transaction has resulted in profit of Rs.7,699 lacs. Consequent to the sale of the business, Goodwill arising on Consolidation amounting to Rs.31,284 lacs and credit pertaining to the said Goodwill in translation reserve amounting to Rs.4,430 lacs has been adjusted against the aforesaid profit, resulting in loss of Rs.19,155 lacs, which has been included in Exceptional item.
- f) Exceptional Items also include net provision and write offs amounting to Rs.2,803 lacs consisting of old irrecoverable balances relating to Service tax, VAT etc.
- g) (i) The disclosure in respect of standalone financials are as under -

Particulars	3 months ended (31/12/2014)	Preceding 3 months ended (30/09/2014)	Corresponding 3 months ended in the previous year	Year to Date figures for current period ended (31/12/2014)	Year to Date figures for previous period ended (31/12/2013)	Figures for Previous Year Ended 31/03/2014
	Audited	Audited	Audited	Audited	Audited	Audited
Net Sales/Income from Operations	10,580	10,829	9,095	30,726	24,742	32,650
Profit / (Loss) Before Tax and Exceptional Items	(11,937)	(10,040)	(13,921)	(32,497)	(31,716)	(41,792)
Profit / (Loss) Before Tax After Exceptional Items	(44,916)	(10,040)	(13,921)	(65,476)	(31,716)	(45,377)
Profit / (Loss) After Tax and Exceptional Items	(45,118)	(10,040)	(13,944)	(65,678)	(31,889)	(44,022)
Profit / (Loss) After Discontinuing Operations	(45,118)	(10,040)	(13,944)	(65,678)	(31,889)	(44,022)

- h) (ii) 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.
- i) Figures for the previous year / periods have been re-grouped / re-arranged, wherever considered necessary, to conform to current period's presentation.

Mumbai
February 10, 2015

By order of the Board
for 3i Infotech Limited

Charanjit Attra

Charanjit Attra
Executive Director- New Business Initiatives, Strategy and Finance



STANDALONE



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Part I : Statement of Standalone Audited Financial Results for the quarter and nine months ended December 31, 2014

(Rupees in Lacs)

Particulars	3 months ended (31/12/2014) Audited	Preceding 3 months ended (30/09/2014) Audited	Corresponding 3 months ended in the previous year (31/12/2013) Audited	Year to Date figures for current period ended (31/12/2014) Audited	Year to Date figures for previous period ended (31/12/2013) Audited	Figures for Previous Year Ended 31/03/2014 Audited
1 Net Sales/Income from Operations	10,580	10,829	9,095	30,726	24,742	32,650
2 Expenses						
a. Employee benefits expense	4,021	4,254	4,395	12,670	12,366	16,480
b. Depreciation and amortisation expense	5,505	5,249	6,707	16,558	17,902	23,633
c. Item exceeding 10% of the total expenses :						
Cost of third party products / outsourced services & bought out items	1,572	1,689	1,378	5,492	3,467	4,683
Foreign exchange loss (net)	3,370	2,167	-	5,481	-	-
d. Other expenses	2,887	2,318	1,675	7,083	4,942	6,506
Total Expenses	17,355	15,677	14,155	47,284	38,677	51,302
3 Profit (+) / Loss (-) from operations before other income, finance costs & exceptional items (1-2)	(6,775)	(4,848)	(5,060)	(16,558)	(13,935)	(18,652)
4 Other Income	41	10	(112)	95	5,804	6,882
5 Profit (+) / Loss (-) from ordinary activities before finance costs & exceptional items (3+4)	(6,734)	(4,838)	(5,172)	(16,463)	(8,131)	(11,770)
6 Finance costs	5,203	5,202	8,749	16,034	23,585	30,022
7 Profit (+) / Loss (-) from ordinary activities after finance costs but before exceptional items (5-6)	(11,937)	(10,040)	(13,921)	(32,497)	(31,716)	(41,792)
8 Add/(Less) : Exceptional Items	32,979	-	-	32,979	-	(3,585)
9 Profit (+)/ Loss (-) from ordinary activities before tax (7-8)	(44,916)	(10,040)	(13,921)	(65,476)	(31,716)	(45,377)
10 Less / (Add): Tax expense	202	-	-	202	-	(1,355)
Tax Expense for Earlier Years	-	-	23	-	173	-
11 Net Profit (+)/Loss(-) from ordinary activities after tax (9-10)	(45,118)	(10,040)	(13,944)	(65,678)	(31,889)	(44,022)
12 (Less) : Impact of Discontinuing Operations	-	-	-	-	-	-
13 Net Profit (+)/Loss(-) from ordinary activities after tax and after discontinuing operations(11-12)	(45,118)	(10,040)	(13,944)	(65,678)	(31,889)	(44,022)
14 Paid-up equity share capital	58,612	58,068	57,194	58,612	57,194	57,264
15 Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00
16 Reserves excluding Revaluation Reserves (including Securities Premium)						(4,034)
17 Earnings Per Share (EPS)						
Earnings Per Share (before exceptional items and discontinuing operations)						
Basic (Rs.)	(2.17)	(1.82)	(2.52)	(5.74)	(5.66)	(7.15)
Diluted (Rs.)	(2.17)	(1.82)	(2.52)	(5.74)	(5.66)	(7.15)
Earnings Per Share (after exceptional items and discontinuing operations)						
Basic (Rs.)	(7.84)	(1.82)	(2.52)	(11.44)	(5.66)	(7.78)
Diluted (Rs.)	(7.84)	(1.82)	(2.52)	(11.44)	(5.66)	(7.78)





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(Rupees in Lacs)

Particulars	3 months ended (31/12/2014) Audited	Preceding 3 months ended (30/09/2014) Audited	Corresponding 3 months ended in the previous year (31/12/2013) Audited	Year to Date figures for current period ended (31/12/2014) Audited	Year to Date figures for previous period ended (31/12/2013) Audited	Figures for Previous Year Ended 31/03/2014 Audited
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
Number of shares	547,085,736	541,639,290	532,903,274	547,085,736	532,903,274	533,608,188
Percentage of shareholding	93.34%	93.27%	93.17%	93.34%	93.17%	93.18%
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	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%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	6.66%	6.73%	6.83%	6.66%	6.83%	6.82%
B INVESTOR COMPLAINTS						
For the 3 months ended December 31, 2014:						
Pending at the beginning of the quarter	NIL					
Received during the quarter	1					
Disposed off during the quarter	1					
Remaining unresolved at the end of the quarter	NIL					

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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 February 10, 2015.
- b) During the current quarter, the Company has allotted 4,001,699 equity shares at a price of Rs.16.50 per share aggregating to Rs.660.28 Lacs against conversion of Foreign Currency Convertible Bonds (FCCBs).
- c) During the current quarter, the Company allotted 1,444,747 equity shares at a price of Rs.19.74 per share aggregating to Rs.285.19 lacs against conversion of liability on account of sacrifice interest.
- d) (i) During the previous quarter, the Company has sold its e-Commerce business, the investment in which was held through its 100% subsidiary in Mauritius. Subsequent to the sale, the residual investments of the Mauritius subsidiary being in the nature of long term investments are carried at cost. The Company perceives no diminution in the value of these investments as on the balance sheet date based on future business projections of the entities in which the investments are held.
(ii) During the current quarter, the Group has sold its Wealth Management business, consisting of the step down subsidiaries, viz, 3i Infotech Western Europe Limited and 3i Infotech (Flagship -UK) Limited. Consequently, provision of Rs.30,579 lacs has been made for diminution in value of investment and included in Exceptional items.
- e) Exceptional items also include net provision and write offs amounting to Rs.2400 lacs consisting of old irrecoverable balances relating to service tax, VAT etc.
- f) In respect of the auditors' observation on net deferred tax asset of Rs.12,133 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 sufficient taxable income in foreseeable future, enabling reversals of deferred tax assets already recognized in earlier years.
- g) The above financial results will be also available on the NSE website www.nseindia.com and the BSE website www.bseindia.com, in addition to the Company's website.
- h) Figures for the previous year / periods have been re-grouped / re-arranged, wherever considered necessary, to conform to presentation of the current period.

Navi Mumbai
February 10, 2015

By order of the Board
for 3i Infotech Limited



Charanjit Altra
Executive Director- New Business Initiatives, Strategy and Finance



Auditors' Report on Quarterly Consolidated Financial Results and Year to Date Financial Results of 3i Infotech Limited Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of 3i Infotech Limited

1. We have audited the quarterly consolidated financial results of 3i Infotech Limited for the quarter ended 31st December, 2014 and year to date financial results for the period from 1st April, 2014 to 31st December, 2014 attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results have been prepared from consolidated interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards, issued pursuant to the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of 2 subsidiaries, whose interim financial statements reflect total assets of Rs.29,436 lacs as at 30th June, 2014 and total revenue of Rs.7,730 lacs for the quarter ended 30th June, 2014, had been jointly audited with other auditors upto June 30, 2014.
4. We have not audited the financial statements of 4 subsidiaries included in the consolidated quarterly financial results, whose interim financial statements reflect total assets of Rs.132,589 lacs as at 31st December, 2014, total revenue of Rs.13,018 lacs and Rs. 39,516 lacs for the quarter and nine months ended 31st December, 2014, respectively. These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of such other auditors.



5. Without qualifying, we draw attention to :-

a) Going Concern and Impairment analysis:

- (i) During the financial year 2011-12, the Parent Company undertook restructuring of its debts through CDR cell and also renegotiated with the Foreign Currency Convertible Bond holders with respect to its obligations. Post the debts restructuring, there have been delays in repayment of Principal and payment of Interest in respect of CDR lenders as well as for the interest on the Foreign Currency Convertible Bonds, which may be construed as Default as per the Master Restructuring Agreement (MRA) and the terms of FCCB. The Parent Company is negotiating with lenders to restructure the debt and is confident of positive outcome.
- (ii) The Parent Company, as per its Accounting Policy and in accordance with the requirements of the Accounting Standard (AS) 28 – Impairment of Assets and Accounting Standard (AS) - 13 Accounting for Investments, prescribed under Companies (Accounting Standard) Rules 2006, carries out an impairment analysis annually of its Cash Generating Units / Long term Investments on a going concern basis, in order to ascertain the extent of impairment, if any and accordingly, the Parent Company had carried out Impairment Analysis for their carrying values in March, 2014 with the assistance of an independent expert valuer which revealed no impairment, which was relied upon by the auditors being a technical matter.

The above referred impairment analysis valuing the business of the entire 3i group included divested/sold business- during the last two quarters- at a loss Rs. 40,107 lacs. (Refer note no. (e) of the attached Consolidated Quarterly Financial Results).

Pending negotiations with lenders and Impairment Analysis (to be carried out in the last quarter), the Parent Company has prepared the financial statements on a going concern basis which is dependent, inter alia, upon the positive outcome of negotiations with lenders, infusion of funds and impairment analysis.

- b) note no (d) of accompanying consolidated financial results regarding the justification of carrying deferred tax asset of Rs.12,535 lacs as at 31st December, 2014, the management based on the confirmed order book on hand and relying on the restructuring scheme as mentioned in para (a) above, is confident of having sufficient taxable income in the foreseeable future, enabling reversal of the said deferred tax assets.



6. In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results:
- (i) include the quarterly financial results of the entities as given in Annexure;
 - (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (iii) give a true and fair view of the consolidated net loss and other financial information for the quarter ended on 31st December, 2014 as well as year to date results for the period from 1st April, 2014 to 31st December, 2014.
7. Further, we also report that we have on the basis of the books of account and other records and information and explanations given to us by the management also verified the consolidated number of shares as well as percentage of shareholding in respect of aggregate amount of consolidated public shareholding, as furnished by the Parent Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.



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

R. P. Baradiya

R. P. Baradiya
Partner
Membership No. 44101
Place: Mumbai.
Date: February 10, 2015

3i Infotech Limited

Annexure to Clause 41 Consolidated Audit Report for the quarter ended December 31, 2014:

Sr. No.	Subsidiaries audited by us:
1	3i Infotech Asia Pacific Pte. Ltd., Singapore
2	3i Infotech SDN BHD, Malaysia
3	3i Infotech Services SDN BHD, Malaysia
4	3i Infotech (UK) Ltd , UK
5	3i Infotech (Western Europe) Holdings Ltd , UK
6	3i Infotech (Western Europe) Group Ltd , UK
7	Rhyme Systems Ltd , UK
8	3i Infotech (Western Europe) Ltd , UK (upto 22 nd December, 2014)
9	3i Infotech (Flagship) Ltd., UK (upto 22 nd December, 2014)
10	3i Infotech Framework Ltd., UK
11	3i Infotech (Thailand) Ltd., Thailand
12	3i Infotech Saudi Arabia LLC, Saudi Arabia
13	3i Infotech (Middle East) FZ LLC, UAE
14	3i Infotech (Africa) Ltd., Kenya
15	3i Infotech Trusteeship Services Ltd. , India
16	3i Infotech Consultancy Services Ltd., India
17	3i Infotech BPO Limited
18	3i Infotech Holdings Private Ltd., Mauritius
19	Elegon Infotech Ltd., China
20	Black Barret Holdings Ltd., Cyprus- Subsidiary
21	3i Infotech Outsourcing Services Limited, India- Subsidiary
22	3i Infotech (South Africa)(Pty) Limited, Subsidiary- Republic of South Africa(w.e.f. 28 th November, 2013-Capital is yet to be infused)
23	Process Central Limited, Nigeria- Joint Venture
24	Professional Access Software Development Pvt. Ltd., India
	Subsidiaries jointly Audited with other Auditors : (Upto 30th June, 2014)
1	Professional Access Software Development Pvt. Ltd., India
	Subsidiaries audited by other Auditors:
1	3i Infotech Inc., USA
2	3i Infotech Financial Software Inc., USA
3	Locuz Enterprises Solutions Ltd., India
4	Locuz Inc., USA (w.e.f. 29 th July, 2014- Capital is yet to be infused)



Auditors' Report on Quarterly Financial Results and Year to Date Financial Results of 3i Infotech Limited Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of 3i Infotech Limited

1. We have audited the quarterly financial results of 3i Infotech Limited for the quarter ended 31st December, 2014 and year to date financial results for the period from 1st April, 2014 to 31st December, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards (AS) 25, issued pursuant to the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act, 2013 and accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying, we draw attention to :-
 - a) Going Concern and Impairment analysis:
 - (i) During the financial year 2011-12, the Company undertook restructuring of its debts through CDR cell and also renegotiated with the Foreign Currency Convertible Bond holders with respect to its obligations. Post the debts restructuring, there have been delays in repayment of Principal and payment of Interest in respect of CDR lenders as well as for the interest on the Foreign Currency Convertible Bonds, which may be construed as Default as per the Master Restructuring Agreement (MRA) and the terms of FCCB. The Company is negotiating with lenders to restructure the debt and is confident of positive outcome.
 - (ii) The Company, as per its Accounting Policy and in accordance with the requirements of the Accounting Standard (AS) 28 – Impairment of Assets and Accounting Standard (AS) - 13 Accounting for Investments, prescribed under Companies (Accounting Standard) Rules 2006, carries out an impairment analysis annually of its Cash Generating Units / Long term Investments on a going concern basis, in order to ascertain the extent of impairment, if any and

Accordingly, the Company had carried out Impairment Analysis for their carrying values in March, 2014 with the assistance of an independent expert valuer which revealed no impairment, which was relied upon by the auditors being a technical matter.

The above referred impairment analysis valuing the business of the entire 3i group included divested/sold business, during the last two quarters- at a loss Rs. 40,107 lacs. (Refer note no. (d) of the attached Standalone Quarterly Financial Results).

Pending negotiations with lenders and Impairment Analysis (to be carried out in the last quarter), the Company has prepared the financial statements on a going concern basis which is dependent, inter alia, upon the positive outcome of negotiations with lenders, infusion of funds and impairment analysis.

- b) Note no. (e) of accompanying financial results regarding justification of carrying deferred tax asset of Rs.12,133 lacs as at 31st December, 2014, the management based on the confirmed order book on hand and relying on the restructuring scheme as mentioned in para (a) above, is confident of having sufficient taxable income in the foreseeable future enabling reversal of the said deferred tax assets.
- 4) In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results and year to date results:
- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and;
- (ii) give a true and fair view of the net loss and other financial information for the quarter ended on 31th December, 2014 as well as year to date results for the period from 1st April, 2014 to 31st December, 2014.
- 5) Further, we report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholding, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.



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

R. P. Baradiya

R. P. Baradiya
Partner
Membership No. 44101
Place: Mumbai.
Date: February 10, 2015