



3i Infotech Limited

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

Audited Consolidated financial results of 3i Infotech Limited

(Rupees in Lacs)

Particulars	3 months ended (31/12/2011) Audited	Preceding 3 months ended (30/09/2011) Audited	Corresponding 3 months ended in the previous year (31/12/2010) Audited	Year to Date figures for current period ended (31/12/2011) Audited	Year to Date figures for previous period ended (31/12/2010) Audited	Figures for Previous Year Ended 31/03/2011 Audited
1 Net Sales/Income from Operations	35,015	49,770	63,775	132,724	191,814	256,975
2 Expenditure						
a. Employees cost	23,481	23,647	31,295	69,898	93,189	122,801
b. Depreciation and Amortisation	5,057	1,711	2,519	8,321	7,678	10,050
c. Other expenditure	11,294	14,746	19,624	40,088	59,368	81,700
d. Total	39,832	40,104	53,438	118,307	160,215	214,551
Item exceeding 10% of the total expenditure :						
Cost of third party products / outsourced services & boughtout items	5,840	6,097	11,173	17,251	32,634	45,364
3 Profit (+) / Loss (-) from Operations before Other income, Interest & Exceptional Items (1-2)	(4,817)	9,666	10,337	14,417	31,599	42,424
4 Other Income	687	1,099	756	2,185	1,588	1,773
5 Profit (+) / Loss (-) before Interest & Exceptional Items (3+4)	(4,130)	10,765	11,093	16,602	33,187	44,197
6 Interest	7,224	5,221	4,669	17,671	13,246	18,076
7 Profit (+) / Loss (-) after interest but before exceptional items (5-6)	(11,354)	5,544	6,424	(1,069)	19,941	26,121
8 Add : Exceptional Income / Items	-	-	-	-	-	-
9 (Less) : Exceptional Items - Customer claims	-	(2,501)	-	(2,501)	-	-
10 Profit (+) / Loss (-) from Ordinary Activities before tax (7+8-9)	(11,354)	3,043	6,424	(3,570)	19,941	26,121
11 Less / (Add): Tax expense	2,433	354	(12)	3,260	924	764
12 Net Profit (+)/Loss(-) from Ordinary Activities after tax (10-11)	(13,787)	2,689	6,436	(6,830)	19,017	25,357
13 Add / (Less) : Impact of Discontinuing Operations	-	-	-	406	-	-
14 Extraordinary Item	-	-	-	-	-	-
15 (Less)/Add: Minority Interest	35	(165)	(5)	(202)	(75)	(106)
16 Add: Share of profit in Associate	-	-	-	-	-	-
17 Net Profit after minority interest and discontinuing operations (12-13-14+15+16)	(13,752)	2,524	6,431	(6,626)	18,942	25,251
18 Paid-up equity share capital	19,199	19,199	19,190	19,199	19,190	19,199
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
19 Reserves excluding Revaluation Reserves	81,317	106,051	101,293	81,317	101,293	99,817





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20 Earnings Per Share (EPS)						
Earnings Per Share (before exceptional items and discontinuing operations)						
Basic (Rs.)	(7.26)	2.52	3.25	(2.65)	9.61	12.81
Diluted (Rs.)	(7.26)	2.52	3.24	(2.65)	9.56	12.75
Earnings Per Share (after exceptional items and discontinuing operations)						
Basic (Rs.)	(7.26)	1.22	3.25	(3.74)	9.61	12.81
Diluted (Rs.)	(7.26)	1.22	3.24	(3.74)	9.56	12.75
21 Public Shareholding						
Number of shares	152,950,359	152,950,359	152,860,359	152,950,359	152,860,359	152,950,359
Percentage of shareholding	79.67%	79.67%	79.66%	79.67%	79.66%	79.67%
22 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)	20.33%	20.33%	20.34%	20.33%	20.34%	20.33%



Consolidated Segment Reporting



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1 Segment Revenue						
a IT Solutions	32,853	46,519	45,427	123,903	127,416	174,981
b Transaction Services	2,162	3,251	18,348	8,821	64,398	81,994
Total Net sales/Income From Operations (a+b)	35,015	49,770	63,775	132,724	191,814	256,975
2 Segment Results (Gross Profit)						
a IT Solutions	9,313	19,877	20,731	49,221	59,093	80,765
b Transaction Services	511	941	5,333	2,437	19,434	24,581
Total	9,824	20,818	26,064	51,658	78,527	105,346
Less: Selling and Other expenses	9,584	9,441	13,208	28,920	39,250	52,872
Interest	7,224	5,221	4,669	17,671	13,246	18,076
Depreciation & Amortisation	5,057	1,711	2,519	8,321	7,678	10,050
Add: Un-allocable income	687	1,099	756	2,185	1,588	1,773
Total Profit (+) / Loss (-) Before Tax	(11,354)	5,544	6,424	(1,069)	19,941	26,121

The group undertakes sale of software products & services affiliated to these products, software development and consulting, IT infrastructure services and IT enabled services collectively referred to as 'IT Solutions' and BPO related services referred to as 'Transaction Services'. These businesses have been considered as primary segments. The segment results have been arrived at before allocating certain expenses which are unallocable in nature and are disclosed as Selling & Other expenses. Considering the nature of the group's businesses, the assets and liabilities cannot be identified with any specific business segment and hence, the figures for capital employed have not been provided.



Notes:

- a) The above results have been reviewed by the Audit Committee, and the same have been approved by the Board of Directors at their Meeting held on January 24, 2012. There are no qualifications in the auditors' report.
- b) Number of investor complaints - (i) pending at the beginning of the quarter - 0 (ii) received during the quarter - 2 (iii) attended during the quarter - 2 (iv) pending at the end of the quarter - 0
- c) During the quarter, the Parent Company underwent severe liquidity challenges due to significant dependence on short term financing, interalia, to match its short term loan maturities. This impacted the timely payment of all loans and interest payments. Though this was anticipated to be a short term phenomenon, with the sudden down rating done by CRISIL from "A minus" to "D", the assistance from bankers/financial institutions/other lenders was not forthcoming. As a result, towards the end of this quarter, the Parent Company decided to approach Corporate Debt Restructuring cell ("CDR") to recast its debt obligations. In the application to CDR, the Parent Company has, interalia, requested for a moratorium on its interest and principal payments and conversion of a portion of interest/principal dues into equity. Amongst several other factors, it is anticipated that the impact arising out of CDR approval could potentially alter the equity share capital, debt composition and cash flows of the Parent Company.
- The Group is confident of successful restructuring and implementation of the scheme to be approved by the CDR, i.e. conversion into equity and moratorium of repayment of obligations of principal and interest, sanction of additional long term loans and is also confident of meeting its FCCB obligation by re-issue/ restructuring of terms with FCCB lenders and therefore it has prepared the financials on a going concern basis.
- The Group is now in the process of carrying out the impairment test of cash generating units comprising of intangible assets, fixed assets, investments in various subsidiaries and net current assets (earlier done upto March 2011), particularly considering the prevailing uncertainty of continuously committing the resources for working capital requirements of the Parent and its subsidiaries for all its assets. The management expects that it may not have any material impact on its financials due to impairment, if any.
- Further, the Group has approached certain leasing companies to reassess the existing leases to ones now bearing the characteristics of finance leases, in order to enable the Group's continued utility of the assets covered. Accordingly, these leases are treated as finance leases effective from 1st Oct, 2011. Consequently, the assets are capitalized at their respective fair values so assessed as at 1st October 2011 aggregating to Rs. 20726 lacs and corresponding liability recognized. As a result, the depreciation for the quarter and for the nine months' period ended Dec 31, 2011 stands increased by Rs.3242 lacs, the interest and financial charges stands increased by Rs.406 lacs and the hire charges is lower by that extent. The Group is also exploring possibilities of bringing the above said finance lease liability at par with the terms as proposed in the CDR.
- d) During the quarter, Fineng Solutions Private Limited, wholly owned subsidiary of the Parent Company got merged with the Parent Company. Further, AOK In-house BPO Services Limited and AOK In-house Factoring Services Private Limited, two step down subsidiaries of the Parent got merged with 3i Infotech BPO Limited, one of the wholly owned subsidiary of the Parent Company. All the above mergers were accounted under AS-14 - 'Accounting for Amalgamations', after receiving necessary court approvals and compliances thereof.
- e) The disclosure in respect of standalone financials are as under -

(Rupees in Lacs)

Particulars	3 months ended (31/12/2011) Audited	Preceding 3 months ended (30/09/2011) Audited	Corresponding 3 months ended in the previous year (31/12/2010) Audited	Year to Date figures for current period ended (31/12/2011) Audited	Year to Date figures for previous period ended (31/12/2010) Audited	Figures for Previous Year Ended 31/03/2011 Audited
Net Sales/Income from Operations	9,691	16,307	13,406	42,996	39,745	55,025
Profit / (Loss) Before Tax Before Exceptional Items	(12,522)	2,356	3,204	(8,496)	8,017	10,815
Profit / (Loss) Before Tax After Exceptional Items	(12,522)	2,356	3,204	(8,496)	8,017	10,815
Profit / (Loss) After Tax After Exceptional Items	(15,021)	2,566	3,385	(9,944)	8,497	11,939
Profit / (Loss) After Discontinuing Operations	(15,021)	2,566	3,385	(9,944)	8,497	11,939

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

Mumbai
January 24, 2012.



By order of the Board
for 3i Infotech Limited

Amar Chintopant

Amar Chintopant
Deputy Managing Director & CFO

STANDALONE



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1 Net Sales/Income from Operations	9,691	16,307	13,405	42,996	39,745	55,025
2 Expenditure						
a. Employees cost	5,004	4,369	3,318	13,786	10,333	13,714
b. Depreciation and Amortisation	4,514	1,279	1,203	6,977	3,516	5,175
c. Other expenditure	6,044	5,475	3,523	16,958	10,280	14,820
d. Total	15,562	11,143	8,044	37,721	24,129	33,709
Item exceeding 10% of the total expenditure :						
Cost of third party products / outsourced services & boughtout items	3,522	2,418	1,481	8,253	4,180	5,927
Rent	627	1,527	1,083	3,945	3,026	4,378
3 Profit (+) / Loss (-) from Operations before Other income, Interest & Exceptional Items (1-2)	(5,871)	5,164	5,362	5,275	15,616	21,316
4 Other Income	79	1,799	1,312	2,056	1,939	2,837
5 Profit (+) / Loss (-) before Interest & Exceptional Items (3+4)	(5,792)	6,963	6,674	7,331	17,555	24,153
6 Interest	6,730	4,607	3,470	15,827	9,538	13,338
7 Profit (+) / Loss (-) after Interest but before exceptional items (5-6)	(12,522)	2,356	3,204	(8,496)	8,017	10,815
8 Add : Exceptional Income / Items	-	-	-	-	-	-
9 (Less) : Exceptional Expenditure / Items	-	-	-	-	-	-
10 Profit (+) / Loss (-) from Ordinary Activities before tax (7+8-9)	(12,522)	2,356	3,204	(8,496)	8,017	10,815
11 Less / (Add): Tax expense	2,499	(210)	(181)	1,448	(480)	(1,124)
12 Net Profit (+)/Loss(-) from Ordinary Activities after tax (10-11)	(15,021)	2,566	3,385	(9,944)	8,497	11,939
13 (Less) : Impact of Discontinuing Operations	-	-	-	-	-	-
14 Extraordinary Item	-	-	-	-	-	-
15 Net Profit (+)/Loss(-) from Ordinary Activities after tax and after discontinuing operations(12-13-14)	(15,021)	2,566	3,385	(9,944)	8,497	11,939
16 Paid-up equity share capital	19,199	19,199	19,190	19,199	19,190	19,199
17 Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00
18 Reserves excluding Revaluation Reserves	56,373	78,080	81,276	56,373	81,276	77,628



STANDALONE



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19 Earnings Per Share (EPS)						
Earnings Per Share (before exceptional items and discontinuing operations)						
Basic (Rs.)	(7.92)	1.24	1.67	(5.47)	4.15	5.85
Diluted (Rs.)	(7.92)	1.24	1.66	(5.47)	4.13	5.83
Earnings Per Share (after exceptional items and discontinuing operations)						
Basic (Rs.)	(7.92)	1.24	1.67	(5.47)	4.15	5.85
Diluted (Rs.)	(7.92)	1.24	1.66	(5.47)	4.13	5.83
20 Public Shareholding						
Number of shares	152,950,359	152,950,359	152,860,359	152,950,359	152,860,359	152,950,359
Percentage of shareholding	79.67%	79.67%	79.66%	79.67%	79.66%	79.67%
21 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)	20.33%	20.33%	20.34%	20.33%	20.34%	20.33%



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- c) During the quarter, the Company underwent severe liquidity challenges due to significant dependence on short term financing, inter alia, to match its short term loan maturities. This impacted the timely payment of all loans and interest payments. Though this was anticipated to be a short term phenomenon, with the sudden down rating done by CRISIL from "A minus" to "D", the assistance from bankers/financial institutions/other lenders was not forthcoming. As a result, towards the end of this quarter, the Company decided to approach Corporate Debt Restructuring cell ("CDR") to recast its debt obligations. In the application to CDR, the Company has, inter alia, requested for a moratorium on its interest and principal payments and conversion of a portion of interest/principal dues into equity. Amongst several other factors, it is anticipated that the impact arising out of CDR approval could potentially alter the equity share capital, debt composition and cash flows of the Company.

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- d) During the quarter, Fineng Solutions Private Limited, a wholly owned subsidiary got merged with the Company, and the same is accounted under AS-14 - 'Accounting for Amalgamations', after receiving necessary court approvals and compliances thereof.
- e) Figures for the previous periods are not comparable in view of inter alia acquisition / divestments of subsidiaries and have been re-grouped / re-arranged, wherever considered necessary, to conform to current period's presentation.
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for 3i Infotech Limited

Amar Chintopanath
Deputy Managing Director & CFO