

INFOTECH ENTERPRISES LIMITED

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Infotech
Creating Business Impact

PART I : STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2012

Sl. No	Particulars	(₹ in Lakhs)			
		Quarter Ended		Year Ended	
		30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
		Unaudited	Unaudited	Unaudited	Audited
1	Income from operations				
	(a) Net Sales/Income from operations				
	(b) Other operating income	45,638	41,718	34,667	155,297
	Total income from operations (net)		16		16
2	Expenses	45,638	41,734	34,667	155,313
	(a) Employee benefits expense				
	(b) Travel expenses	27,814	24,870	22,733	95,257
	(c) Depreciation and amortisation expense	2,417	2,485	2,471	9,484
	(d) Other expenses	1,342	1,134	1,154	4,941
	Total expenses	6,893	6,187	5,134	23,662
3	Profit from operations before other income, finance costs & exceptional item (1-2)	38,466	34,676	31,492	133,344
4	Other income	7,172	7,058	3,175	21,969
5	Profit from ordinary activities before finance costs and exceptional item (3+4)	1,788	3,563	641	1,753
6	Finance costs	8,960	10,621	3,816	23,722
7	Profit from ordinary activities after finance costs but before exceptional item (5-6)	1	28	9	73
8	Exceptional item (Refer Note 8)	8,959	10,593	3,807	23,649
9	Profit from ordinary activities before tax (7-8)	181	159	-	159
10	Tax expense	8,778	10,434	3,807	23,490
11	Net Profit from ordinary activities after tax (9-10)	2,923	3,836	1,266	8,353
12	Share of Profit of associates	5,855	6,598	2,541	15,137
13	Minority Interest	616	385	146	1,001
14	Net Profit from ordinary activities after taxes, minority interest and share of profit of associates (11+12-13)	-	-	2	-
15	Paid-up equity share capital (Face Value ₹ 5 per share)	6,471	6,983	2,685	16,138
16	Reserves excluding revaluation reserves	5,571	5,571	5,570	5,571
17	Earnings Per Share [Face Value of ₹ 5 per share](not annualised)				110.177
	(a) Basic (in ₹)	5.81	6.27	2.41	14.49
	(b) Diluted (in ₹)	5.80	6.27	2.41	14.49

PART II : SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2012

1	Particulars of shareholding				
1a	Public Shareholding				
	(a) Number of shares	86,472,482	85,988,400	85,813,706	85,988,400
	(b) Percentage of shareholding	77.61%	77.18%	77.03%	77.18%
1b	Promoters and Promoter Group Shareholding				
	(a) Pledged / Encumbered				
	- Number of shares	-	358,082	490,146	358,082
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	1.41%	1.92%	1.41%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.32%	0.44%	0.32%
	(b) Non-encumbered				
	- Number of shares	24,942,780	25,068,780	25,095,280	25,068,780
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	98.59%	98.09%	98.59%
	- Percentage of shares (as a % of the total share capital of the company)	22.39%	22.50%	22.53%	22.50%

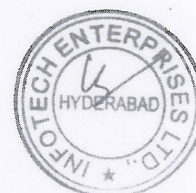
NOTES

1. The above consolidated results include the results of the following Group Companies :

Company and Country of Incorporation	Nature of relationship	% Holding
Infotech Enterprises America Inc., USA	Subsidiary	100%
Infotech Enterprises Europe Limited, UK	Subsidiary	100%
Infotech Enterprises GmbH, Germany	Subsidiary	100%
Infotech Geospatial (India) Limited, India	Subsidiary	100%
Infotech Enterprises Information Technology Services Private Limited, India	Subsidiary	100%
Infotech Enterprises Japan KK, Japan	Subsidiary	100%
Infotech HAL Limited, India	Joint Venture	50%
Infotech Aerospace Services Inc., Puerto Rico	Associate	49%

2. The unaudited consolidated financial results were taken on record by the Board of Directors at their meeting held on July 18, 2012.
3. The unaudited consolidated financial results of Infotech Enterprises Limited (the Company) and its domestic and foreign subsidiaries for the quarter ended June 30, 2012 have been prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements. All material intra-group balances, intra-group transactions and resulting unrealised profits have been eliminated.

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4. Clause 41 of the Listing Agreement requires companies to either publish standalone or consolidated financial results in the newspapers and this choice is to be exercised during the first quarter of the financial year. The Company, in compliance with this provision, has opted to publish the consolidated financial results. The standalone financial results will, however, be made available to the Stock Exchanges where the Company's shares are listed and will also be posted on the Company's website.

Standalone unaudited financial results for the quarter ended June 30, 2012

SLN o	Particulars	(₹ in Lakhs)			
		Quarter Ended		Year Ended	
		30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
		Unaudited	Unaudited	Unaudited	Audited
a.	Income from operations	25,874	23,117	19,174	86,380
b.	Profit from ordinary activities after finance costs but before exceptional items	7,986	12,529	3,530	22,284
c.	Profit from ordinary activities before tax	7,805	12,529	3,530	22,284
d.	Net Profit from ordinary activities after tax	5,354	9,261	2,418	15,860

5. Effective April 01, 2012, Infotech Enterprises America Inc., ("IEAI"), merged two of its wholly owned subsidiaries, Wellco Inc., and Infotech Enterprises Electronic Design Services Inc. with itself. As a result of the amalgamation, goodwill aggregating ₹ 1,811 is adjusted to the General Reserves.
6. The Company acquired the balance 26% shareholding in Infotech Geospatial (India) Limited (IGIL) on November 1, 2011. Pursuant to this acquisition, IGIL became a wholly-owned subsidiary of the Company, effective that date.
7. Up to March 31, 2012, forward contracts in the nature of derivatives which were used to hedge the Company's risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions were marked to market as at the Balance Sheet date and provision for unrealised losses, if any, was dealt with in the Statement of Profit and Loss. Unrealised gains, if any, on such derivatives were not recognised in the Statement of Profit and Loss. With effect from April 1, 2012, the Company has applied the hedge accounting principles set out in Accounting Standard - 30 "Financial Instruments - Recognition and Measurement" (AS-30) in respect of such forward exchange contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. Accordingly, in respect of all such contracts outstanding as on June 30, 2012, that were designated and effective as hedges of the hedged transactions, unrealised loss aggregating ₹ 3,011 lakhs (net) has been recognised directly in the Hedge Reserve account. Consequent to the above change, loss amounting to ₹ 3,021 lakhs for the quarter which would have been recognised in the Statement of Profit and Loss, had the company followed its earlier policy of providing for the unrealised losses on such outstanding forward contracts in the nature of derivatives which were marked to market, has not been recognised in the Statement of Profit and Loss for the quarter ended June 30, 2012.
8. (a) Exceptional item for the quarter and year ended March 31, 2012 pertains to certain obligations towards revenue authorities in a subsidiary company. Pending further evaluation, an amount of ₹ 159 lakhs, net of ₹ 235 lakhs retained in an indemnity escrow account by the Escrow Agent under the share purchase agreement and is available for adjustment of any liabilities pertaining to pre-acquisition period. There were no further developments in relation to these obligations during the quarter.
- (b) Exceptional item for the quarter ended June 30, 2012 pertains to interest payable on service tax for the period May 2008 to August 2011.
9. Tax expense for the year ended March 31, 2012 includes tax for earlier years towards demands pertaining to Assessment year 2008-09.
10. During the quarter, the Company has not allotted any equity shares to the associates of the Company under the Infotech Associate Stock Option Plan.
11. Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended June 30, 2012:

Particulars	Quarter Ended 30-Jun-2012
Pending at the beginning of the quarter	Nil
Received during the quarter	18
Disposed off during the quarter	18
Remaining unresolved at the end of the quarter	Nil

12. Corresponding previous period's figures have been regrouped / reclassified wherever necessary.

SEGMENT REPORTING

Particulars	(₹ in Lakhs)			
	Quarter Ended		Year Ended	
	30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
	Unaudited	Unaudited	Unaudited	Audited
Segment revenue				
Network & content engineering	14,448	12,773	10,626	47,613
Engineering, manufacturing, industrial products	31,256	29,004	24,043	107,757
Total	45,704	41,777	34,669	155,370
Less: Inter segment revenue	66	43	2	57
Income from operations	45,638	41,734	34,667	155,313
Segment results				
Segment profit before depreciation, tax and finance costs				
Network & content engineering	2,555	1,847	1,179	7,068
Engineering, manufacturing, industrial products	5,749	6,423	3,171	19,995
Total	8,304	8,270	4,350	27,063
Less:				
Finance costs	1	28	9	73
Depreciation and amortisation expense	1,342	1,134	1,154	4,941
Other un-allocable expenditure (net of un-allocable income)	(1,817)	(3,326)	(620)	(1,441)
Profit before taxation	8,778	10,434	3,807	23,490
Capital employed				
(Segment assets - Segment liabilities)				
(See note 1 below)				

NOTES

1. Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no reporting relating to total segment assets and liabilities have been made.

Place: Hyderabad
Date: July 18, 2012

for INFOTECH ENTERPRISES LIMITED

B.V.R. Mohan Reddy
B.V.R. MOHAN REDDY
Chairman & Managing Director

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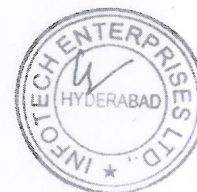
**PART I : STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2012**

		(₹ in Lakhs)			
Sl. No	Particulars	Quarter Ended			Year Ended
		30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
		Unaudited	Unaudited	Unaudited	Audited
1	Income from operations				
	(a) Net Sales/income from operations	25,874	23,113	19,174	86,376
	(b) Other operating income	-	4	-	4
	Total income from operations (net)	25,874	23,117	19,174	86,380
2	Expenses				
	(a) Employee benefits expense	12,059	11,086	9,893	42,478
	(b) Travel expenses	1,809	1,822	1,840	6,954
	(c) Depreciation and amortisation expense	1,189	1,080	956	4,116
	(d) Other expenses	4,445	4,132	3,628	15,850
	Total expenses	19,502	18,120	16,317	69,398
3	Profit from operations before other income, finance costs & exceptional item (1-2)	6,372	4,997	2,857	16,982
4	Other income	1,614	7,566	673	5,358
5	Profit from ordinary activities before finance costs and exceptional item (3+4)	7,986	12,563	3,530	22,340
6	Finance costs	-	34	-	56
7	Profit from ordinary activities after finance costs but before exceptional item (5-6)	7,986	12,529	3,530	22,284
8	Exceptional items (Refer Note 5)	181	-	-	-
9	Profit from ordinary activities before tax (7-8)	7,805	12,529	3,530	22,284
10	Tax expense	2,451	3,268	1,112	6,424
11	Net Profit from ordinary activities after tax (9-10)	5,354	9,261	2,418	15,860
12	Paid-up equity share capital (Face Value ₹ 5 per share)	5,571	5,571	5,570	5,571
13	Reserves excluding revaluation reserves				97,923
14	Earnings Per Share(Face Value of ₹ 5 per share)(not annualised)				
	(a) Basic (in ₹)	4.81	8.31	2.17	14.24
	(b) Diluted (in ₹)	4.80	8.31	2.17	14.24

PART II : SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2012

1	Particulars of shareholding				
1a	Public Shareholding				
	a) Number of Shares	86,472,482	85,988,400	85,813,706	85,988,400
	b) Percentage of shareholding	77.61%	77.18%	77.03%	77.18%
1b	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of Shares	-	358,082	490,146	358,082
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.00%	1.41%	1.92%	1.41%
	- Percentage of Shares (as a % of the total share capital of the company)	0.00%	0.32%	0.44%	0.32%
	b) Non-encumbered				
	- Number of Shares	24,942,780	25,068,780	25,095,280	25,068,780
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	98.59%	98.08%	98.59%
	- Percentage of Shares (as a % of the total share capital of the company)	22.39%	22.50%	22.53%	22.50%

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Notes

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2. During the quarter, the Company has not allotted any equity shares to the associates of the Company under the Infotech Associate Stock Option Plan.
3. Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended June 30, 2012 :

Particulars	Quarter Ended 30-Jun-2012
Pending at the beginning of the quarter	Nil
Received during the quarter	18
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Remaining unresolved at the end of the quarter	Nil

4. Upto March 31, 2012, forward contracts in the nature of derivatives which were used to hedge the Company's risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions were marked to market as at the Balance Sheet date and provision for unrealised losses. With effect from April 1, 2012, the Company has applied the hedge accounting principles set out in Accounting Standard - 30 "Financial Instruments - Recognition and Measurement" (AS-30) in respect of such forward exchange contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. Accordingly, in respect of all such contracts outstanding as on June 30, 2012, that were designated and effective as hedges of the hedged transactions, unrealised loss aggregating ₹ 3,011 lakhs (net) has been recognised directly in the Hedge Reserve account. Consequent to the above change, loss amounting to ₹ 3,021 lakhs for the quarter which would have been recognised in the Statement of Profit and Loss, had the company followed its earlier policy of providing for the unrealised losses on such outstanding forward contracts in the nature of derivatives which were marked to market, has not been recognised in the Statement of Profit and Loss for the quarter ended June 30, 2012.
5. Exceptional item for the quarter ended June 30, 2012 pertains to interest payable on service tax for the period May 2008 to August 2011.
6. Tax expense for the year ended March 31, 2012 includes tax for earlier years towards demands pertaining to Assessment year 2008-09.
7. Segment information has been presented in the Consolidated results as permitted by Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Accounting Standard) Rules, 2006.
8. Corresponding previous period's figures have been regrouped / reclassified wherever necessary.

Place : Hyderabad
Date : July 18, 2012

for INFOTECH ENTERPRISES LIMITED

B.V.R. Mohan Reddy
B.V.R. MOHAN REDDY
Chairman & Managing Director

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