



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 | Preceeding 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) | 3,280 | 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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(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 |
|--|---|---|--|---|--|---|
| 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



3i Infotech Limited

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

(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 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) | Preceding 3 months ended (30/09/2011) | Corresponding 3 months ended in the previous year (31/12/2010) | Year to Date figures for current period ended (31/12/2011) | Year to Date figures for previous period ended (31/12/2010) | Figures for Previous Year Ended 31/03/2011 |
|---|-----------------------------|---------------------------------------|--|--|---|--|
| | Audited | Audited | Audited | Audited | Audited | 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
Deputy Managing Director & CFO

STANDALONE



3i Infotech Limited

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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 | 13,766 | 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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| 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 |
|--|---|---|--|---|--|---|
| 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% |



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 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 Company decided to approach Corporate Debt Restructuring cell ("CDR") to recast its debt obligations. In the application to CDR, the 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 Company.

The Company 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 Company 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 Company 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 Company has approached certain leasing companies to reassess the existing leases to ones now bearing the characteristics of finance leases, in order to enable the Company'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 Company 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, 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 interalia acquisition / divestments of subsidiaries and have been re-grouped / re-arranged, wherever considered necessary, to conform to current period's presentation.
- f) The standalone and consolidated 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 Chintopanath
Deputy Managing Director & CFO

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 on Quarterly 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 December 31, 2011, 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 Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 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 as 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. Attention is invited to note no.(c) of the accompanying results regarding the financial statements of the Company having been prepared on a going concern basis, the appropriateness whereof is dependent, inter alia, on successful restructuring and implementation of the scheme to be approved by the Corporate Debt Restructuring Cell, change in leasing arrangements and also on carrying out of fresh impairment test in view of challenging environment under which the Company is operating now, the impact whereof, if any, on the loss for the period, reserves, assets and liabilities as at the period end is presently not ascertainable



4. In our opinion and to the best of our information read together with what is stated in para 3 above and according to the explanations given to us these quarterly financial 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 December 31, 2011.

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 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 R.G.N. Price & CO.
Firm Registration No: 002785S
Chartered Accountants

Mahesh Krishnan

Mahesh Krishnan
Partner
Membership No. 206520

Place: Mumbai.
Date: January 24, 2012



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

R. P. Baradiya

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai.
Date: January 24, 2012



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

Lodha & Company
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Email: mumbai@lodhaco.com

Auditors' Report on Quarterly Consolidated 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 December 31, 2011 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 Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 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 as 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.
 - a) The financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 27,971 lacs as at December 31, 2011 and total revenue of Rs. 3,931 lacs for the quarter ended on December 31, 2011, have been jointly audited with other auditors.
 - b) We have not audited the financial statements of 4 subsidiaries included in the consolidated quarterly financial results, whose financial statements reflect total assets of Rs. 126,577 lacs as at December 31, 2011; as well as the total revenue of Rs. 14,235 lacs for the quarter ended on December 31, 2011. These 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.



4. The financial statements of a joint venture in Nigeria, whose financial statements reflect total assets of Rs. 48 lacs as at December 31, 2011 and total revenue of Rs. Nil, representing 47.5 percentage share of the group, for the quarter ended on December 31, 2011, have not been audited. Our opinion is solely based on the management certificate provided to us.
5. Attention is invited to note no. (c) of the accompanying results regarding the financial statements of the Group having been prepared on a going concern basis, the appropriateness whereof is dependent, inter alia, on successful restructuring and implementation of the scheme to be approved by the Corporate Debt Restructuring Cell, change in leasing arrangements and also on carrying out of fresh impairment test in view of challenging environment under which the Group is operating now, the impact whereof, if any, on the loss for the period, reserves, assets and liabilities as at the period end is presently not ascertainable.
6. Read together with para 4 and 5 above, 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 December 31, 2011.
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 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 R.G.N. Price & CO.

Firm Registration No: 002785S
Chartered Accountants

Mahesh Krishnan

Mahesh Krishnan
Partner
Membership No. 206520
Place: Mumbai.
Date: January 24, 2012



For LODHA & CO.

Firm Registration No: 301051E
Chartered Accountants

R.P. Baradiya

R.P. Baradiya
Partner
Membership No. 44101
Place: Mumbai.
Date: January 24, 2012



Annexure:

| 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 (Australia) Pty Ltd., Australia |
| 5 | 3i Infotech (UK) Ltd , UK |
| 6 | 3i Infotech (Western Europe) Holdings Ltd , UK |
| 7 | 3i Infotech (Western Europe) Group Ltd , UK |
| 8 | Rhyme Systems Ltd , UK |
| 9 | 3i Infotech Western Europe Ltd , UK |
| 10 | 3i Infotech Flagship Ltd., UK |
| 11 | 3i Infotech Framework Ltd., UK |
| 12 | 3i Infotech Holdings Private Ltd., Mauritius |
| 13 | 3i Infotech (Thailand) Ltd., Thailand |
| 14 | 3i Infotech Saudi Arabia LLC, Saudi Arabia |
| 15 | 3i Infotech (Middle East) FZ LLC, UAE |
| 16 | 3i Infotech (Kazakhstan) LLC, Kazakhstan |
| 17 | 3i Infotech (Africa) Ltd., Kenya |
| 18 | 3i Infotech Services (Bangladesh) Pvt. Ltd., Bangladesh |
| 19 | 3i Infotech Trusteeship Services Ltd. , India |
| 20 | 3i Infotech Consultancy Services Ltd., India |
| 21 | 3i Infotech BPO Limited |
| 22 | Elegon Infotech Ltd., China |
| 23 | Black Barret Holdings Ltd., Cyprus |
| 24 | 3i Infotech Outsourcing Services Limited (formerly known as Regulus BPO Limited) |
| | Joint Audit with other Auditors : |
| 1 | Professional Access Ltd., USA |
| 2 | 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 | J&B Software (India) Pvt. Ltd., India |
| 4 | Locuz Enterprises Solutions Ltd., India |
| | Joint Venture, Unaudited |
| 1 | Process Central Limited, Nigeria |

