

20TH ANNUAL REPORT 2010-11

**GEARED TO
TAKE ON THE FUTURE**



A close-up, low-angle shot of speed skaters' legs and skis on a frozen track. The skaters are wearing red and black racing suits. The ice surface is white with some red and blue markings. The background is a blurred blue sky.

**ACCELERATING
GROWTH**





We have witnessed significant growth in our organisation by offering world-class services to our global customers. While keeping our core business intact, we are now on an accelerated growth path with enhanced service offerings. With increased domain knowledge in managing large and complex projects, we are poised to deliver innovative solutions with better performance.



CHAIRMAN SPEAK

Dear Shareholders,

I am happy to share my thoughts with you on general business outlook, your company performance for Financial Year (FY) 2010-2011 and future directions.

General Overview of Industry

After sharp deceleration of growth in 2008 and the contraction in 2009, the global GDP increased by 3.9% in 2010 (according to World Bank reports). The growth has varied between developed nations and emerging economies – emerging economies doing much better. However, according to NASSCOM, the global technology spend grew by 4% and more importantly the global outsourcing spend outpaced the same with a 10% growth. The demand for IT services including Engineering Research & Development (ER&D) services continues to be robust globally. The continued momentum indicates a three times growth in the next ten years.

A recent McKinsey analysis on sources of growth indicates that the growth levers are: further expansion of core markets with new services and solutions, expanding/

Chairman Speak



strengthening new verticals in existing geographies, new customer segments in existing geographies and new geographies with tailored value proposition and business models.

The ER&D spend globally, grew from US\$ 980 Billion in 2008 to US\$ 1.1 Trillion in 2009. Booz & Co. estimate that the Global ER&D spend will grow further to US\$ 1.4 Trillion by 2020. The Indian ER&D Service Exports according to NASSCOM grew from US\$ 5.2 Billion in 2007 to US\$ 9.0 Billion by 2011 (estimate) registering an annual compounded growth rate of 15%. While Telecom, Semiconductor and Automotive dominated their services with a lion's share of 60%, Aerospace registered an impressive CAGR of 27% (between 2006 and 2010). India is emerging as a major hub for ER&D services for Global markets. Within services, embedded services (both hardware and software) contribute to 45% of revenues.

Delivering Global Engineering Solutions efficiently

Infotech started its GIS service offerings way back in 1992, with the ability to handle large and complex geospatial databases, bespoke software development, platform implementation and GIS consultancy. In 2004, the focus shifted to "customer centricity" and this division was named UTG to reflect Infotech's concentration on three key verticals - Utilities, Telecom and Government. Over the past six years, this focus enabled the business to achieve significant growth based on the company's ability to offer services beyond GIS and more leaning to engineering while still keeping the core intact. This focus is helping us deliver a broader set of service offerings including Telecom Engineering, OSS, Smart Grid and Meter Data Management services. Together with Infotech's core geospatial and IT competencies, these services come under the unified brand of Network Engineering. Gas and Electric utilities, and Wire Line and Wireless Telecommunication companies are the primary markets for these services.

The Content Engineering business builds on Infotech's success in the Government and Commercial markets. By leveraging many years of experience in managing large and complex geospatial databases, this business is poised for further growth by offering scale, process and quality excellence that will help to transform partial and/or inaccurate data, into value added content. Infotech has made considerable investments in its own IP to optimize this content transformation, and as part of Content Engineering strategy, Infotech is also strengthening its IT capability, specifically in the area of Enterprise Content Management. We will continue

to address geospatial "content" opportunities in the Government and Commercial markets. The Content Engineering business will also target select new verticals that offer significant Content Engineering opportunities. All existing customers are being managed by dedicated teams from either the Network Engineering or Content Engineering business unit.

The product engineering service got traction only in early 2000 and has since grown substantially and has overtaken our traditional GIS business. This vertical which was branded as ENGG, had sub-vertical focus into areas such as Aerospace, Rail Transportation, Off-road Heavy Vehicles, Hi-Tech, Consumer Electronics, etc. Over the last decade, we have systematically demonstrated our ability to deliver high quality services, on-time every time at compelling price-value proposition. With robust and scalable processes, we have gained the ability to develop capacity with right capability. This has helped us in demonstrating delivery of end-to-end solutions to customers, world over.

Now that both our businesses deliver high quality value added engineering solutions, the current rebranding underlines Infotech's focus on engineering as the basic differentiator and enhances Infotech's value to the customers and markets. This strategic approach simultaneously increases the size of the addressable market while accelerating the company's thrust into engineering related services. Infotech's new strategy is consistent with the wider rebranding and positioning of the whole organization and serves to reinforce Infotech Enterprises' position as a leading Global Engineering Services provider with a strong and sustainable presence in Product & Process Engineering and Network & Content Engineering markets, globally.

Summary of Financial Achievements

- Total Income for FY 10-11 crosses Rs. 1200 crores (including other income).
- Revenue for FY 10-11 crosses Rs. 1000 crores for the first time (at Rs. 1,188 crores), a major milestone in the history of the company.
- Revenue grew by 24.6% Y-o-Y in Rupee terms (Rs.1,188 Crores) and in dollar terms grew by 29.7% (US\$ 260.7 million)
- Operating margins were at 15.2% for FY 10-11.
- Profit after tax at Rs. 1,396.9 million for FY 10-11.
- Achieved in excess of US\$100 million revenue from Aerospace vertical

Chairman Speak



Business Strategies

Towards achieving its vision of 'Delivering innovative solutions together for a better future', and becoming a US\$ 1 Billion enterprise, Infotech has focused on the following strategic initiatives:

- Strengthening its domain expertise in new market segments within existing industry verticals
- Establishing a global network of engineering centers that offer its customers the right mix of proximity, skills and price
- Forging strategic, long-term relationships with specific named accounts

Quality and Innovation

In the formative years building Quality consciousness was a big challenge in our company. With relentless efforts from our teams, we have built capabilities to deliver the highest levels of quality. Our ability to get certified for several international quality standards is a small reflection as to how Quality as a movement has matured in this company. It has matured to such a level that we can proudly say that Quality is a part of our company DNA.

My next ambition in life is to make Innovation also a part of our company's DNA. Several initiatives are in place to encourage, recognize and celebrate innovation in the company. To progress this in a structured manner, we are now putting more specific focus with the help of an external consulting company to further encourage Innovation and bring a mindset change towards Innovation. We intend to strengthen the innovative culture in the company and hopefully make it a movement so that Innovation also becomes a part of our company DNA.

Levers for Improving Margins

We have had serious challenges with operating margins during FY 10-11. Our Operating margins went down from 21.5% to 15.2%.

Key reasons for the margin contraction were:

1. Salary increases for both offshore and onshore employees without equivalent rate increases from customers.
2. Hiring of far more laterals compared to freshers which again put burden on the cost of wages.

3. Acquisitions which operated at less than 10% margins took longer time to create offshore workload. The acquired entities' revenues exerted pressure on margins on consolidated revenues.
4. Initiatives taken on improving productivity are taking longer time though in focus and right course.
5. Step up in our overhead burden with not so corresponding increase in revenues as some of these were investments in organisation and initiatives whose results will fruitify in the coming year.

All the above have been identified and we feel confident of correcting the situation. Also, all the levers for growth are being systematically addressed.

Acquisitions

The Telecommunications Industry has always been an important market for Infotech and Telecom Network Design and Engineering has emerged as an excellent growth area for us. Infotech acquired Wellsco in an all-cash deal. Wellsco is a focused Engineering Services provider to the US telecommunications industry. Headquartered in Paragould, AR, Wellsco has over 180 employees located across 5 offices. It counts for some of the largest Telecom companies in the US as long term customers. With this acquisition, Infotech gains access to the deep domain skills and experience of the local Wellsco team, which combined with strong, long-term customer relationships and US delivery capability will serve to accelerate our growth. We have been very impressed with the management and technical teams at Wellsco, as well as with their vision towards attaining a leadership position. Combined with our mature processes and ability to scale customer relationships, we are confident that we will leverage this acquisition to create strong momentum and further enhance our leadership position in the Network Engineering Services market space.

SEZ Facilities

With the withdrawal of section 10A/10B benefits (under the Income Tax Act) to all IT services companies registered under STPI scheme, it has become imperative for us to scale our SEZ facilities. Our SEZ facilities in Kakinada and Visakhapatnam give us the additional advantage of lower operating costs, lower attrition without major challenges to resource availability.



Chairman Speak



We commenced operations from the new SEZ facility in Visakhapatnam at Rushikonda IT Park. This is Infotech's first SEZ development centre. This facility is an extension of the company's strategic move to take advantage of the benefits of locating development centers in Tier 2 towns. Infotech currently operates out of five of their own Development Centers in India - Hyderabad (Madhapur and Manikonda), Bangalore, Noida, and Kakinada. This will be the sixth development center of Infotech, the first in SEZ and the second in a Tier 2 city.

Further, Infotech laid the foundation stone for its new facility at the IT SEZ, Sarpavaram, Kakinada, Andhra Pradesh. This facility is an extension of the company's business strategy to take advantage of SEZs and also foster inclusiveness by locating development centers in Tier 2 cities.

The new Kakinada SEZ facility will be Infotech's second SEZ and is being built on a 5 acre campus with 1000 seats and a built-up area of 1,00,000 sq.ft. Infotech proposes to build a high-tech facility of global standards with superior IT infrastructure, connectivity and with latest amenities. In addition, Infotech has embarked on the strategy of doing-up the SEZ facility it acquired in NOIDA SEZ in the middle of last year. It is estimated that with these facilities and few more initiatives, the company is targetting one-third of its business from SEZ in the coming years.

Corporate Social Responsibility

Infotech believes in giving back to society in some measure that is proportionate to its success in business. Our policy for Corporate Social Responsibility (CSR) is designed to balance the needs of all stakeholders. Infotech's CSR initiative goes well beyond charity and is based on the idea that a responsible company should take into account its impact on the society along with its obligations to stakeholders.

Infotech carries out a wide range of CSR activities through Infotech Enterprises Charitable Trust (IECT). Recently, our main activities have been focused on the improvement and expansion of primary education programs in India for underprivileged children. An IECT project - "Adopt A School" has included financial support, infrastructure improvements in schools and volunteer work by Infotech employees.

Awards and Recognition

Infotech has been recognized by The Boeing Company as Supplier of the Year in the "Non-Production" category. Infotech Enterprises was one of 16 companies honored by Boeing. This year's winners represent an elite group among more than 17,525 active Boeing suppliers in nearly 52 countries around the world. This selection was based on stringent performance criteria for quality, delivery performance, cost, environmental initiatives, customer service and technical expertise.

Over the past 6 years, Infotech Enterprises has supplied specialized engineering services and solutions to Boeing across commercial programs such as 747-8 (freighter and passenger), 787-9, 757 and 747 among others.

Other awards that recognize the excellence of our work include the PC Quest IT Award for the U-GIS project we implemented for Airtel and the Edison Award for our utility installation at North Delhi Power Ltd.

This year, we saw a tremendous amount of team effort to surpass the market expectations, in spite of economic challenges. On your behalf, I would like to place on record the contribution made by all of our associates and congratulate them for creating value for our customers which in turn has helped your Company grow even stronger. I believe that we will continue to work as a team to ensure greater value to the shareholders of the Company.

Our passion gets recharged to explore new horizons and achieve growth year after year with the trust placed in us by you, the shareholders of the Company. I thank the Board of Directors for their support and guidance for the growth of our business year after year.

I also thank you for supporting us through this difficult year and standing by us. All of us greatly appreciate it and without your continued support, it would not have been possible for us to deliver results.

Warm regards,

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



The year at a glance 2010-11



THE YEAR AT A GLANCE – CONSOLIDATED

(In millions, except as otherwise stated)

Particulars	March 31, 2011		March 31, 2010	
	₹	US \$	₹	US \$
For the year				
Operating Revenue	11,880.14	260.70	9,531.21	201.04
Total Income	12,175.60	267.18	9,994.91	210.82
Operating Profit (EBIDTA)	1,803.56	39.58	2,083.09	43.94
Net Profit after Tax (PAT)	1,396.89	30.65	1,708.76	36.04
EBIDTA as a percentage of Operating Revenue	15.18%	15.18%	21.86%	21.86%
PAT as percentage of Total Income	11.47%	11.47%	17.10%	17.10%
Basic Earnings per Share (₹)	12.56	0.28	30.88	0.65
Dividend per Share (₹)	1.25	0.03	2.00	0.04
Dividend Amount	139.10	3.05	111.00	2.34
Fixed Assets – Addition (Net)	758.46	16.64	393.31	8.30
At the end of the year				
Total Assets	12,680.78	278.27	11,270.10	237.72
Fixed Assets – Net	3,380.28	74.18	3,154.40	66.53
Cash and Bank Balance	3,502.41	76.86	2,337.23	49.30
Working Capital	5,990.76	131.46	3,901.09	82.28
Total Debt	5.50	0.12	43.99	0.93
Net Worth	10,293.12	225.87	9,063.45	191.17
Equity	556.38	12.21	277.50	5.85
Market Capitalization	17,983.12	394.63	20,471.00	431.79
US\$ Exchange Rate (₹)	-	45.57	-	47.41

Market Capitalisation is calculated by considering the share price at the National Stock Exchange on March 31 of the respective years on the share outstanding as that date.

* Figures are regrouped and reclassified wherever necessary.



Key performance highlights 2010-11



- Total income crossed ₹ 1,200 crores (including other income)
- Aerospace vertical achieved revenues of over US\$100 million
- Recognized by The Boeing Company as Supplier of the Year in the "Non-Production" category
- Established Integrated Global Aerospace Practice
- Pratt & Whitney, Canada, Center of Excellence, received supplier Gold recognition. With this, the entire UTC division at Infotech operates at ACE Gold level
- Our wholly-owned subsidiary, Infotech Enterprises America Inc., acquired Wellsco Inc.
- Infotech has been re-certified for ISO 9001 (8 locations) and for ISO 27001 (7 locations). Certified for IRIS, AS 9100CE, ISO 13485 : 2003
- Inaugurated new electronic Center of Excellence for Hamilton Sundstrand
- Opened a new Center of Excellence at Visakhapatnam SEZ
- Launched Global Data Synchronization initiative for India trade with SA2 Worldsynchron
- Registered three new trademarks viz., TruShift, TeeM NG and iGEMs
- Renewed contract with TomTom for a further period of three years
- Completed a 1:1 bonus issue of shares; dividend of 25% recommended by the Board of Directors (post bonus)





PUSHING THE LIMIT



Towards achieving Infotech's vision of becoming a US\$ 1 Billion enterprise, our teams have made relentless efforts in delivering the highest levels of customer satisfaction. We rely on our robust and scalable processes to meet global standards in customer satisfaction. These processes have been rudimentary in delivering end-to-end solutions to our customers.

Engineering Services Highlights for 2010-11



Revenue

FY 2011 was a remarkable year for the engineering vertical that witnessed a series of business transformation initiatives across areas such as organization structure, service strategy, customer and people focus. The initiatives were aimed at tapping synergies across the vertical to propel our growth. The initiatives began fruition as early as Q2-11, when we clocked revenue of Rs. 200 crores in a single quarter. During the year, we integrated and merged our various aerospace practices across the vertical. Our aerospace engineering services revenues crossed US\$ 100 million in a single year, thus making Infotech one of the largest engineering services companies in aerospace business in India.

Customers

We added 26 new customers in the engineering vertical over the last year. The engagements with most of the customers are qualified as strategic in nature and we are confident of their yielding accelerated growth.

Our expertise in engineering solutions for the aerospace industry has been our core strength and we have made significant inroads in this space as part of our renewed customer strategy. We have entered into an agreement to undertake end-to-end system design including prototyping for an aerospace OEM. We have also signed an MSA with a leading multi-industry company that primarily focuses on aerospace solutions. Further, our shared innovation effort with Pratt & Whitney for their next generation engines (NGPF) is seeing significant results as the engines have been put through various flight tests.

Our leadership position in the rail domain was further strengthened through key customer acquisitions. We entered into a long term agreement with a rail signalling company in UK to provide signalling and inter-locking services. We have also signed a strategic partnership with a European rail OEM, a foremost provider of comprehensive solutions for the rail industry. Our global footprint in rail domain was enhanced with our partnership with a rail transport company in South Africa – this is the first time we are offering engineering services in Africa.

We continue to focus on our sales efforts and build upon our niche expertise in engineering solutions for industries such as Oil & Gas, Energy, Heavy Equipment and Machinery. The Indian engineering arm of the world's leader in construction and heavy equipment has selected us as their engineering partner to support their on-going & new product development activities. Apart from this, we have been chosen as the key engineering partner by the world's

leading supplier of two-piece can and end making machinery. Our leadership position in nuclear space is reinforced through our MSA with a leading nuclear waste management company in the world. Also, during the last quarter, we have entered into a partnership with a leading oil & gas major from Scandinavia to provide engineering solutions.

Our results in hi-tech space have been encouraging as we signed two key partnerships with chip OEMs last year.

Investments & Service Offerings

We continue to invest in our infrastructure and our capabilities in order to align with the changing customer needs as well as in line with our business strategy.

We inaugurated a new electronic Center of Excellence (CoE) dedicated to one of our strategic customers – Hamilton Sundstrand. We have inaugurated an engineering CoE at our SEZ at Visakhapatnam, Andhra Pradesh. This center will focus on our services to the offshore and marine industries and will capitalize on the immense availability of domain expertise in these segments in Visakhapatnam.

Awards & Recognition

In May 2011, we were honoured with the prestigious Boeing Supplier of the Year 2011 award in "Non-Production" category for our responsiveness to Boeing's business needs and our expertise to solve complex aerospace engineering challenges. Infotech Enterprises is the first Indian company to receive such an honour from The Boeing Company. We have been elevated to the top 0.06% of Boeing Suppliers from a supplier base of 17,525 across 52 countries.

Outlook

We are seeing a renewed investment focus in many of our core markets. The order books of our customers and their requirements to build new products and upgrade existing ones are higher than ever before and this is consistently translating into business for us. In the last two years, we have also spent a considerable time on building delivery operations that are capable of understanding complex customer problems and executing solutions that consistently beat customer expectations. At the same time, we have a very competent customer interfacing organization that is looked upon by customers as business partners. We are confident that we will continue to deliver great performance in FY 2012 and beyond.



N&CE (UTG) Highlights for 2010-11



Infotech's UTG Division is rebranded as Network & Content Engineering Division

Infotech's UTG business has been re-branded as the "Network and Content Engineering" division within Infotech - "N&CE" for short. The current rebranding underlines Infotech's focus on engineering as the basis to differentiate and enhance Infotech's value to the customers and markets. This focus is helping us deliver a broader set of service offerings including Telecom Engineering, OSS, Smart Grid and Meter Data Management Services. Together with Infotech's core geospatial and IT competencies, these services come under the unified brand of Network Engineering. Gas and Electric utilities, Wire Line and Wireless Telecommunication companies are the primary markets for these services. This strategic approach simultaneously increases the size of the addressable market, while accelerating the company's thrust into engineering related services.

The Content Engineering business builds on Infotech's success in the Government and Commercial markets. By leveraging many years of experience in managing large and complex geospatial databases, this business is poised for further growth by offering scale, process and quality excellence that help in transforming partial and/or inaccurate data, into value added content. Infotech has made considerable investments in its own IP to optimize this content transformation, and as part of its Content Engineering strategy, is also strengthening its IT capability, specifically in the area of Enterprise Content Management.

Wellsco Acquisition

Infotech's wholly-owned subsidiary Infotech Enterprises America Inc., acquired Wellsco, located in Paragould, Arkansas. This acquisition strengthens Telecom domain expertise in new market segments within existing industry verticals.

It also establishes a global network of engineering centers that offer its customers the right mix of proximity, skills and price. Wellsco's acquisition forges strategic, long-term relationships with some large accounts. Wellsco is a focused Engineering Services provider to the US telecommunications industry. Headquartered in Paragould, AR, Wellsco has over 180 employees located across 5 offices. It counts for some of the largest Telecom companies in the US as long term customers.

The Infotech – TomTom engagement

Infotech's journey with TomTom has been a successful business partnership for over 16 years. This year, Tom Tom renewed the contract for another three years. Infotech has consistently demonstrated strengths in quality, systems, processes, innovation, tools and technology to help TomTom maintain its leadership position in the global market.

Some of these were:

- The Quality Compass Room, created to meet quality needs of TomTom
- Migration to a single production platform, aimed at reducing the investment on maintaining and delivering on two platforms
- Achieved AB rating in VDA supplier audit. The VDA Standard (Verband der Automobilindustrie) is a German Automotive Standard used for compliance of quality and process related requirements
- IEL has consistently met TomTom's growing project requirements
- All projects were successfully completed with 100% quality, and 100% delivery
- Global Helpdesk to address technical queries from TA's production centers worldwide
- Setup a call center to help the end customers worldwide - using TomTom products
- Infotech has been instrumental in helping TomTom set up their own production units
- IELs internal tools (PAR, MIS) have been shared with TomTom

Infotech and REM Partnership Unveils SAP Gateway for Smart Meter

UK-based technology company, Remote Energy Monitoring Ltd and its systems development partner, Infotech have unveiled a new interface between SAP's Advanced Metering Infrastructure (AMI) and REM's Smart Meter Operations Suite (SMOS). Infotech opened a new demonstration centre at its London office, where the REM meter can be put through its paces for prospective customers.



N&CE (UTG) Highlights for 2010-11



Infotech's Chairman and Managing Director, B.V.R. Mohan Reddy, inaugurated the new 'CoE' with John Roberts, the Chairman of REM. They were also joined at the opening ceremony by John Renard, President of Global N&CE business. REM was acquired by GE recently.

Infotech Wins 4-year Framework Agreement from Ordnance Survey, Great Britain

Infotech has been awarded a new 4-year Framework Agreement for the Supply and Maintenance of geospatial data, which replaces previous data collection contracts, by Ordnance Survey, Great Britain. The Framework Agreement will run from April 2011 to March 2015 and see Ordnance Survey developing its external supplier base for the supply and maintenance of topography, imagery and height data and services, which are used to maintain the currency, accuracy and information content of its core databases.

IHS 3-Year Contract Renewal

Infotech has been supporting IHS with data accumulation/management services since February 2008. The current engagement involves tracking over 65 SLAs, which have been operating successfully for nearly one year. The initial project is a 3-year

contract with four additional 1-year renewal periods, and has over 200 resources working in a dedicated CoE in Kakinada, Andhra Pradesh, India. On April 2, 2011, we received a 3-year renewal of the agreement on the Information and Insight Operations (IIO) work. The contract was signed by Mr. Jerry Steed (CEO and Chairman of IHS) effective March 1, 2011 through February 28, 2014. We are proud of the exceptional work provided by the entire production team in Kakinada.

Multi-Million Dollar Enterprises GIS and Data Project Awarded by Large American Utility

Infotech has been awarded an Enterprise GIS and data project by a large southern California utility who have decided to consolidate, convert and conflate their multiple GIS, CAD, and paper source documents onto a Commercial Off The Shelf (COTS) street network and parcel landbase within Oracle Spatial Data Repository. Infotech's team has worked with the customer's business and technical staff and came up with a common data model, covering the primary electric network – Bulk Transmission, Substation and Land Base, as part of the phase-1 implementation. This multi-million and multi-year project brings Infotech on par with other leading service providers.



Corporate Social Responsibility



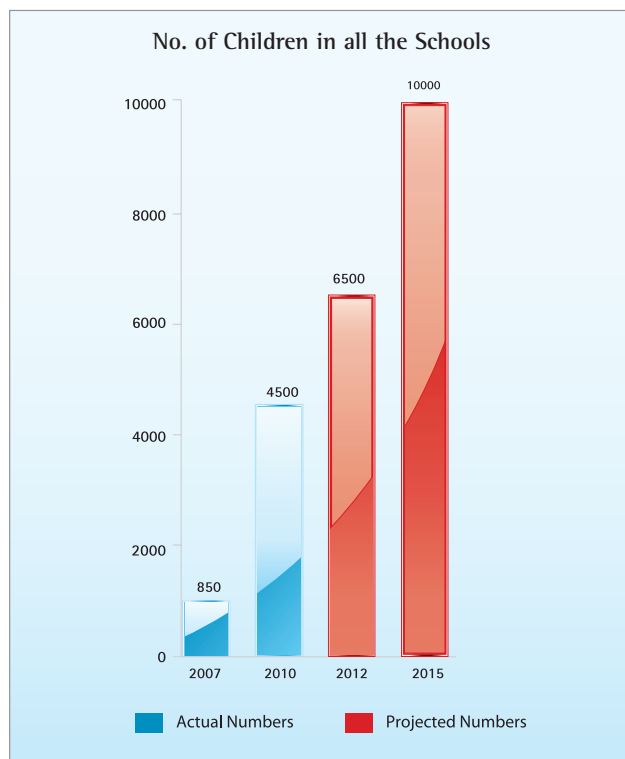
Infotech Enterprises Charitable Trust (IECT) adopted 6 new schools in October 2010. Now it has 10 schools adopted in and around Hyderabad and 4500 children under its coverage. The Associates' engagement in CSR is growing. Associates as CSR volunteers participated in distribution of notebooks, school bags and uniforms in Gachibowli and Shamshiguda schools. They conducted activity-based trainings, career guidance and knowledge sessions.

An IECT adopted school, ZPHS Gachibowli, has achieved 82% pass percentage in the 10th class examinations for its first batch in the 2010-11 academic year. The pass percentage in IECT schools has increased from 44% to 50%; the school children dropout ratio has reduced to 6% from 12%. New admissions in IECT Schools have increased from 10% to 21%.

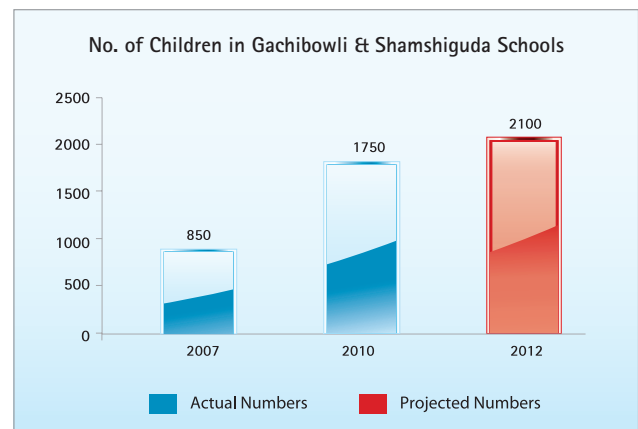
IECT's Involvement - Highlights

- Dropout rate reduced to from 12% to 6% . Plan to reduce it to 3% by 2015.
- New admissions increased from 10% to 21%. Plan to increase it to 30% by 2015.

All the IECT Adopted Schools: Current and Forecast Children Strength



Initial IECT Adopted Schools: Current and Forecast Children Strength



Children at the Gachibowli School during Bombardier's Leadership Team visit

Corporate Social Responsibility



Customers visit IECT Schools

Bombardier's Leadership Team visited Gachibowli School. Thirteen representatives from BT and ten IEL associates participated in the event. This team visited all the classrooms, shared their views and interacted with the school children. Geometry boxes and dictionaries were distributed to high school children. Drawing books, crayons, color pencils, sketch pens and a pouch to carry stationery items were distributed to primary school children. School bags, water sippers and charts were distributed for Early Childhood Education (ECE) children.

The School Headmaster and CSR team explained the improvement and development that had happened at the school, particularly after IECT had adopted the school. Visitors were visibly impressed and appreciated the efforts made by IECT. They expressed their desire to support these schools through IECT in the near future.

"On behalf of BT, I would like to thank you and your team for making it possible to visit one of the schools that Infotech is supporting. Corporate Social Responsibility is one of the strategic initiatives which Bombardier, as a company is driving. The BT participants were really moved by the visit and there was strong support to put similar activities in place ourselves."

– Jan Radtke



Bombardier Customers in a class room



Bombardier Customers Distributing note books



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Board of Directors

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

B. Sucharitha Whole Time Director

M.M. Murugappan Independent Director

G.V. Prasad Independent Director

J. Ramachandran Independent Director

Jaithirth Rao Independent Director

K. Ramachandran Independent Director

Alain De Taeye Independent Director

Allan J. Brockett Non-Executive Director

Abhay Havaladar Non-Executive Director

Key Executives

B.V.R. Mohan Reddy	Chairman & Managing Director
Ajay Aggarwal	Chief Financial Officer
Krishna Bodanapu	President – Engineering
John Renard	President – Network & Content Engineering
B. Ashok Reddy	President – Global HR & Corporate Affairs
Bhanu Cherukuri	Chief Strategy Officer
Ramaswami Anantharam	Chief Information Officer
Rajaram Jayaraman	Senior Vice President – Corporate Process Excellence and Innovation





Corporate Information

Auditors

Deloitte Haskins & Sells
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'Gowra Grand', Sardar Patel Road,
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Internal Auditors

Domestic Operations
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5-D, 5th Floor, 'Kautilya',
6-3-652, Somajiguda,
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Global Operations
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8-2-618/2, 'Reliance Humsafar',
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Banjara Hills, Hyderabad - 500 034
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Tax Advisors

G.P. Associates
Flat No. 603, 6th Floor,
'Cyber Heights', Plot No. 13,
HUDA Layout, Road No. 2,
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Tel: +91 40 23540822

Bankers

Oriental Bank of Commerce
9-1-129/1, 'Oxford Plaza',
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Secunderabad - 500 003
Tel: +91 40 27704935

Citibank N.A.
'Queens Plaza', 1st Floor,
Sardar Patel Road,
Secunderabad - 500 003
Tel: +91 40 40005720

Registrar and Share Transfer Agents

Karvy Computershare Private Limited
Unit: Infotech Enterprises Limited,
Plot No. 17 to 24, Vithal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel: +91 40 44655000

Company Secretary and Compliance Officer

Sudheendhra Putty
Infotech Enterprises Limited,
4th Floor, 'A' Wing, Plot No. 11,
Software Units Layout, Infocity,
Madhapur, Hyderabad - 500 081
Tel: +91 40 23124006

TAKE ON ANYTHING



With our eyes set on the future, there are many exciting growth opportunities to look forward to. In order to improve our processes we believe in encouraging, recognising and celebrating innovation in the company. This will not only enhance our capabilities for improving the experience of our end customer, but will also ensure greater delivery quality.



Intangible Assets Monitor 2010-11



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'Customer centricity' and a prominent position within the marketplace are key ingredients to the success of businesses – both small and large. Intangible assets such as people, knowledge, relationships and intellectual property are the critical sources for building the competitive advantage.

We believe the role of Human Resources Function transcends the boundaries of business value, organizational performance and bottom line success. Besides enabling organizational performance drivers we have renewed our focus on the following objectives:

- Focus on being a customer centric organization
- Focus on building domain expertise
- Focus on a global delivery model
- Focus on developing human capital
- Focus on being a values driven organization

We have taken great efforts in monitoring intangible assets, which has been very exciting, rewarding and motivating journey. Our stakeholders can use this to measure how well we are moving in line with the strategic goals we have set. Our associates can refer to the Monitor as an essential key to how we meet our challenges as a leading innovator in a fast changing environment.

Our efforts in this direction have been recognized and I am proud to share that we have been recently awarded the prestigious best practices company in Talent Engagement & Retention (IT) by NHRD. INFOTOUCH as a program highlights our commitment towards the intangible assets.

While we took great care in doing our best, we still believe we could do better. If you have suggestions on how can we improve this, please feel free to reach me at:

Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad – 500 081, India Email: Ashok.Reddy@infotech-enterprises.com

With best regards,

B. Ashok Reddy

President – Global HR & Corporate Affairs

Intangible Assets Monitor 2010-11



Infotech Intangible Assets Monitor 2010-2011 (IEL Standalone)

Our Customers			Our Organization			Our People		
External Structure			Internal Structure			Competencies		
	FY '11	FY '10		FY '11	FY '10		FY '11	FY '10
Growth / Renewal			Growth / Renewal			Growth / Renewal		
Revenue Growth	15.3%	-0.8%	Investments in IT, R&D (In ₹ Lakhs)	2812.06	1478.60	Avg. Professional Exp (Yrs)	4	3.33
Image Enhancing Customers (New)	2	5				Competence Enhancing Customers (New)	6	4
No. of New Customers	11	10				Associates with Bachelors Degree & Above	4528	3939
						Associates with Diploma & Others	2647	2701
						Education Index	13000	11993
Efficiency			Efficiency			Efficiency		
Revenues per Customer (In ₹ Lakhs)	277.96	236.05	Proportion of Support Staff	4.92%	4.77%	Turnover per Revenue Person (In ₹ Lakhs)	10.20	9.01
			Turnover per Support Staff (In ₹ Lakhs)	183.48	176.11	Turnover per Associate (In ₹ Lakhs)	9.66	8.57
			Y-o-Y Growth in Turnover per Support Staff	4.18%	2.27%	Y-o-Y growth in Turnover per Associate	12.72%	5.47%
Stability			Stability			Stability		
Repeat Orders	99.44%	97.42%	Support Staff Turnover	22.64%	13.57%	Revenue Persons Turnover - Total	23.64%	17.97%
5 Largest Customers	37.0%	33.5%	Voluntary	21.57%	12.86%	Voluntary	20.80%	7.79%
10 Largest Customers	48.6%	38.5%	Compulsory	1.07%	0.71%	Compulsory	2.84%	10.18%
			Avg. age of Support Staff (Yrs)	34	33.21	Avg. Age of Revenue Persons (Yrs)	29	29.15
			Associates with < 2 Yrs. Tenure	20.53%	37.24%	Avg. Age of all Associates (Yrs)	29	28.36

Notes: • Image enhancing customers are those who enhance our reputation and market worthiness • Revenue per Customer is arrived by dividing total revenues by the total customers • Education index is an aggregate of weightage given to the education levels of our associates (Diploma -1, BE - 2, ME/MCA/MBA - 3, PhD - 4) • Turnover per Associate is total turnover divided by effective associates, which is arrived by applying weightage.

Intangible Assets Monitor 2010-11



Infotech Performance – an HR Perspective (IEL Standalone)

Description of Item	10-11	09-10
Revenue (In ₹ Lakhs)	64767	56180
Profit (In ₹ Lakhs)	11788	12676
Effective Associates *	6703	6554
Effective Billable Staff	6350	6235
Effective Support Staff	353	319
Associate strength (As on 31st Mar)	7175	6681
% New Associates	17.48	18.77
% of Support Staff	4.92	4.77
Revenue per Associate (In ₹ Lakhs)	9.66	8.57
Profit per Associate (In ₹ Lakhs)	1.76	1.93
Revenue per Associate (In US \$) - RpA	21198	18080
Profit per Associate (In US \$) - PpA	3862	4079
\$ 1 - ₹	45.57	47.41
% Incr in RpA	12.72%	5.47%
% Incr in PpA	-8.81%	89.21%

* Arrived after applying the Weightage

Notes: Billable Staff: Associates who are directly involved in business/revenue generation. Associates, who plan, produce process or present the product or services for customer. These also include associates who are directly involved with the customers, though they are not in production.

Support Staff: Associates who are in functions like F&A, HRD, Administration etc. Some may perhaps be offended by this segmentation into revenue and non-revenue persons. Surely all staff create revenue.

(We believe all associates facilitate generating revenue, the above categorization signifies revenue generation as a primary activity for few and hence the categorization)

Intangible Assets Monitor 2010-11



Human Capital

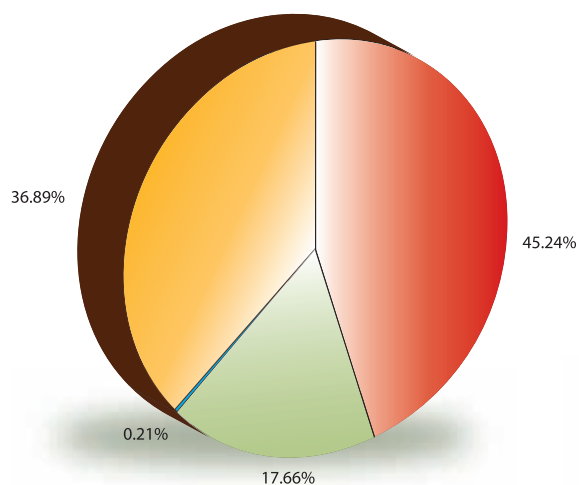
A company's ability to support its business strategy with its Human Capital is an important indication of the company's future business performance. This year we present to you a complete picture of our Human Capital, as we believe that intangible assets and intellectual capital are the sources of value and the levers for sustainable business performance in today's competitive economic context.

HR at Infotech plays a strategic role and supports the organization and its various components in achieving various goals and targets set by deploying best practices and measures. As you can see from the charts below, HR has played a very effective role:

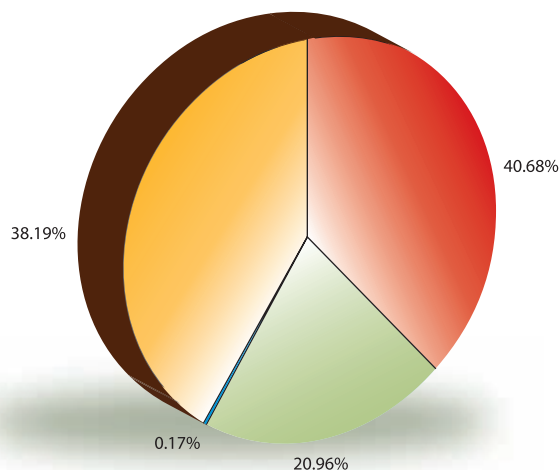
- In changing the Associates' profile to help the company move up the value chain
- In enhancing efficiency
- In aligning performance with strategic goals
- In developing the right mix of skills and capabilities that will help us achieve business goals

Associate Academic Profile

Associates Qualification Profile as on 31st March 2011



Associates Qualification Profile as on 31st March 2010



■ Diploma/Graduates ■ B.E./B.Tech. ■ M.Tech/MB/MCA/ME ■ Ph.D./M.Phil.

At Infotech, we have continuously endeavored to develop and hire global talent. With the emerging business needs and based on our business growth in various domains, we have recruited and developed associates with knowledge and skills commensurate with business needs.

Intangible Assets Monitor 2010-11



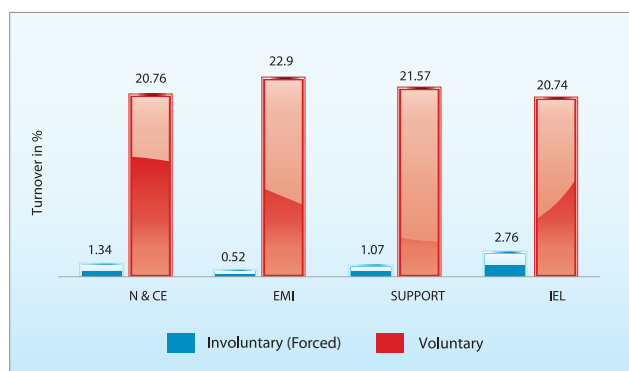
Associate Turnover

Our employees are our greatest assets, and the ability to attract and retain them is the key driver of our future success. Attributes that impact employee retention include high demand on performance, need for new competencies, broader, deeper and diverse job expectations, need for re-skilling and re-deployment, career offerings and growth prospects, goal and role clarity, policies and processes and organizational communication. Apart from being able to provide all of the above, the Company has undertaken rationalization of salaries of its associates in line with the current

market trends which have helped in restricting attrition to a major extent.

While we firmly believe that organizations tend to perform better when they are able to curtail attrition, we also believe that infusing new talent, continuously changing the mix of people in line with business requirement is also very important.

(Note : Attrition mentioned is for IEL standalone, the attrition for the group is a lower number: 16.62%.)



Leadership Development

With our dream towards entering the 'Billion Dollar' club and becoming a 'Learning Organization' we are gearing ourselves with a three track learning approach catering all our associates to become future leaders.

Based on the "Infotech Leadership Qualities", this experiential & relationship-based learning approach has been adopted.

3-track development approach

The three track development approach is a structured initiative which aims towards overall business contribution.

Track 1: Strategic Leaders	<ul style="list-style-type: none"> (Sr. VP, VP, AVP)
Track 2: Senior Leaders	<ul style="list-style-type: none"> (GM, DGM, AGM)
Track 3: Frontline Managers & First Time Managers	<ul style="list-style-type: none"> Sr. Managers to Managers Team Leads to PLs

Intangible Assets Monitor 2010-11



Strategic Leaders – For this layer we used a combination of external executive coaching for our top talent, determining formally the Individual Development Needs Analysis (IDNA) for top 100 leaders, cross-functional Action Learning projects and classroom programs based on certain leadership traits.

Senior Leaders – For this layer, specific learning interventions are rolled out which is a mix of classroom (internal and external programs) and e-learning programs. We also intend to start mentoring for this layer shortly.

Front Line Managers & First Time Managers – This covers 1000 plus associates. Training interventions at this level are called 'I-EVOLVE' and are essentially a battery of classroom and e-learning calenderized programs offered at all locations, on a monthly basis. An Associate needs to complete the entire set of programs in order to be certified.

Associate Engagement

Last year, we took Associate Engagement to the next level. The agenda of the HR team was to have the complete attention and support of the Associates by having an integrated framework that addresses all areas leading to engagement. Based on our studies, we have developed an integrated framework 'INFOTOUCH' by which we intend to touch the mind, heart and soul of each associate.

I	Internal Communication & Branding
N	New adventures (Social Interest Groups)
F	Fun @ work
O	Outperform (High performance work culture)
T	Talent development (Learning)
O	Opportunity (Career growth)
U	Unique work practices
C	Connect with managers
H	Health & well-being

Intangible Assets Monitor 2010-11



We took up a number of specific initiatives under each head. Some of the salient ones under **Connect, Internal communication and Branding** were:

- **Town hall sessions** - An approach to open interaction and direct involvement.
- **Engagement Communication Workshops** - Findings of the engagement survey and the actionable thereafter.
- **My Manger Management Index** - Survey held for engagement levels of each Manager on the basis of the feedback given by the other Associates.
- **'Meet the CEO' initiative** - The objective was to have a two-way communication and free expression of thoughts for capturing first-hand suggestions useful in refining the operations further.
- **HR Connect program** - Business HR meets with their Associates takes place on the shop floors in groups of 5 or 6 every week.
- **Skip Level meeting** - Leadership meetings with the Associates to have an opinion on various HR initiatives & processes that are being offered.

- **Engagement workshops for Managers on role of Managers** - Engagement workshop in the last quarter for all the team leads and Senior Associates. For Senior Managers we also conducted workshops on using coaching skills to enhance engagement.
- **IN TOUCH** - An engagement newsletter was launched as a platform to connect, collate and develop what we do and what we aspire to do. This newsletter keeps all Associates abreast of the various initiatives being held under the umbrella of 'INFOTOUCH'.

Under Fun and well being we took up initiatives like

- **Kalakshetra Interest Groups** - Cultural activities such as talent hunt competitions, festival celebrations, musical nights as per the interest and passion of employees.
- **Infotsav celebrations** - Annual day celebrations with the involvement of all Associates and their family members. This usually follows our annual sports and cultural competitions.
- **SWASTH Health Initiative** - Health talks and awareness of health issues, vaccinations, health camps and blood donations.

Rewards and Recognition



- **Awards** - Introduced "Samvedana" - Women Achiever's Awards. The intent of this initiative was to identify and recognize women leaders across the organization. The applicability was based on the respect she wins from her peers, customers, managers and team members.



- **Appreciation Tree** - A mutual appreciation program among the employees to keep track of their interpersonal relations. The one who is found good on the set parameters gets rewarded.

Infotech believes that Human Capital plays a strategic and vital role in building business. It is our commitment to build a talented, skilled, well qualified, productive and efficient human capital which will help our organization to have the competitive edge.



Notice of Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on 20 July 2011 at 2.30 p.m. at Bhaskara Auditorium, B.M. Birla Museum, Adarsh Nagar, Hyderabad - 500 063 to transact the following business:

Ordinary Business:

1. Adoption of Accounts

To receive, consider and adopt the Report of the Board of Directors, Profit and Loss Account for the financial year ended on 31 March 2011 and the Balance Sheet as at that date and the report of Auditors' thereon.

2. Declaration of Dividend

To declare dividend on Equity Shares.

3. Re-appointment of Mrs. B. Sucharitha

To appoint a Director in place of Mrs. B. Sucharitha, who retires by rotation and being eligible, offers herself for re-appointment.

4. Re-appointment of Mr. M.M. Murugappan

To appoint a Director in place of Mr. M.M. Murugappan, who retires by rotation and being eligible, offers himself for re-appointment.

5. Re-appointment of Prof. J. Ramachandran

To appoint a Director in place of Prof. J. Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.

6. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Reg. No. 008072S), who retire at the conclusion of this Annual General Meeting, be and are hereby appointed as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee."

By Order of the Board

Place : Hyderabad

Date : April 20, 2011

Sudheendhra Putty

Company Secretary

Important Communiqué to Members - Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in demat form can intimate/update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.



Notes

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 13 July 2011 to 20 July 2011 (both days inclusive) in connection with the AGM and for the purpose of dividend.
3. Dividend of ₹ 1.25 per share *i.e.*, at the rate of 25% on face value of ₹ 5/- for the year ended 31 March 2011 as recommended by the Board, if declared at the AGM, will be payable to those members whose names appear on the Company's Register of Members as at the close of business hours on 12 July 2011. Dividend will be paid on 1 August 2011.
4. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, of persons seeking re-appointment as Directors under Item Nos. 3, 4, and 5 above are also annexed.
5. Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM. Copies of Annual Report will not be provided at the AGM.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the registered office of the Company at least seven days before the date of the AGM, so that the information requested by them may be made available.
7. Members holding shares in physical form may write to the Company/Company's R&T agents for any change in their address and bank mandates. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants.
8. Members are requested to send all communication relating to shares to the Company's R&T Agents (Physical and Electronic) at the following address:

Karvy Computershare Private Limited
Unit: Infotech Enterprises Limited
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad - 500 081.
9. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
10. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Mr. N. Ravi Kumar, Deputy Company Secretary at the Company's registered office. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, will as per the provisions of Section 205A of the Companies Act, 1956, be transferred to the IEPF.
11. The Certificate from the Auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolutions of the members passed at the general meetings will be available for inspection by the members at the AGM.
12. SEBI has made it mandatory for every participant in the securities/capital market to furnish details of Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in physical form are requested to submit their details of PAN, alongwith a photocopy of the PAN Card, to the R&T Agent of the Company, Karvy Computershare Private Limited.

By Order of the Board

Place : Hyderabad
Date : April 20, 2011

Sudheendhra Putty
Company Secretary



Annexure to the Notice to the Shareholders

BRIEF PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT

Item No. 3: Appointment of Mrs. B. Sucharitha as Director on the Board of the Company

Mrs. B. Sucharitha, Whole Time Director on the board of the Company since 1992, oversees the accounting and administrative functions of the Company.

She is a postgraduate in Chemistry and excelled throughout her educational career.

The names of Companies and the Committees in which Mrs. B. Sucharitha is a director / member are available at the registered office of the Company.

Item No. 4: Appointment of Mr. M.M. Murugappan as Director on the Board of the Company

Mr. M.M. Murugappan is Chairman of Carborundum Universal Limited and has been a member of the Group Supervisory Board for Technology and Research, Murugappa Group since 1999.

He held various portfolios in the Murugappa Group between 1985 and 1991 including responsibilities for Electronics businesses of the Murugappa Group, Strategy & Business Development, Consolidation of Operations, Acquisitions, and later divestment. Thereafter, from 1992 to 1999 he served as director in Parrys Confectionary Limited, manufacturers of sugar confectionary.

As Trustee of the Group's AMM Foundation, he takes a keen interest in the development of various citizenship initiatives, particularly in education and health care.

He holds a Master of Science Degree in Chemical Engineering from University of Michigan, Ann Arbor, USA and is a member

of the American and Indian Institutes of Chemical Engineers, Plastics and Rubber Institute and Indian Ceramics Society. He also serves as a Member on the Board of Governors, IIT, Madras.

The names of Companies and the Committees in which Mr. M.M. Murugappan is a director / member are available at the registered office of the Company.

Item No. 5: Appointment of Prof. J. Ramachandran as Director on the Board of the Company

Prof. J. Ramachandran is a Bain Fellow & BOC Professor of Business Policy at the Indian Institute of Management, Bangalore. His research focuses on strategic and organizational challenges of emerging economy multinationals, family business groups and firms in cultural & creative Industries. Recognition for his research work include best paper rankings from Academy of Management, USA, Strategic Management Society, USA, best case awards from the Association of Indian Management Schools, the Central and East European Management Development Association, the Tata Steel-IIMB award for best case on corporate social responsibility and nomination for the Carolyn Dexter Award for the best paper with an international theme.

A qualified Chartered and Cost Accountant, and a Fellow of the Indian Institute of Management Ahmedabad, Prof. Ramachandran has been a Visiting Professor at INSEAD, Fontainebleau, France, the Wharton School of the University of Pennsylvania, USA; and the Carlson School of Management, University of Minnesota, USA. He has also served Indian Institute of Management, Bangalore as a member of the Board of Governors.

The names of Companies and the Committees in which Prof. J. Ramachandran is a director / member are available at the registered office of the Company.



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 20th Directors' Report on the business and operations of your Company, on a standalone basis, for the financial year ended March 31, 2011.

FINANCIAL HIGHLIGHTS ON STANDALONE BASIS

(Amount in ₹ Million)

Particulars	2010-11	2009-10
Total Income	6,797.14	6,079.50
Operating Profit (PBIDT)	1,692.81	1,960.04
Interest	3.0	4.71
Depreciation	375.48	407.07
Profit before Tax	1,314.34	1,548.26
Current Tax	250.20	190.30
Earlier Years' Tax	0.34	45.30
MAT Credit	(124.76)	(109.90)
Deferred Tax	9.76	154.91
Profit after Tax	1,178.80	1,267.65
Basic Earnings per share (₹)	10.60	11.45
Diluted Earnings per share (₹)	10.58	11.41
Dividend recommended (₹/Share)	1.25	2.00
Dividend recommended (%)	25%	40%
Paid up Equity Share Capital	556.38	277.50
Reserves	8,523.12	7,760.85

RESULTS OF OPERATIONS

Your Company has emerged as a complete Engineering Services Provider with "Global Collaborative Engineering" as its model for growth.

Following are the results of operations for the financial year (FY) 2010-11:

BUSINESS PERFORMANCE

Revenues

The total income of the Company for the FY 2010-11 comprises operating revenues of ₹ 6,476.67 million as against ₹ 5,617.99 million in FY 2009-10 and other income of ₹ 320.47 million for the current year as against ₹ 461.5 million in the previous year. Total sales increased by 15.28% over the last financial year.

Profits

Profit before Tax (PBT) stood at ₹ 1,314.34 million as against ₹ 1,548.26 million for the previous year. Profit after Tax (PAT) stood at ₹ 1,178.8 million as against ₹ 1,267.65 million for the previous year.

Liquidity

Your Company continues to be debt-free and maintains sufficient liquidity to meet its strategies including acquisitions. During the financial year, cash flows have more than adequately covered working capital requirements as well as for the capital expenditure. As of 31 March 2011, the Company had cash and cash equivalents of ₹ 3,272.75 million, as against ₹ 3,363.68 million on 31 March 2010. During the year, the Company invested an amount of ₹ 201.32 million towards the acquisition of Wellsco Inc., in the US through its wholly owned subsidiary, Infotech Enterprises America Inc.

APPROPRIATIONS

Dividend

Your Directors have recommended a final dividend of ₹ 1.25 per share (25%) on par value of ₹ 5/-. The total dividend including dividend distribution tax amount is ₹ 162.20 million as against ₹ 129.86 million for the previous year. Dividend (including dividend distribution tax) as a percentage of profit after tax is 13.76% as compared to 10.24% in the previous year.

Transfer to Reserves

Your Directors have proposed to transfer ₹ 830.67 million to the General Reserve retaining ₹ 411.16 million in the Profit and Loss Account.

SHARE CAPITAL

Allotment of Shares

During the year under report, Company completed an issue of bonus shares in the ratio of 1:1, i.e., one equity share for every one existing equity share of ₹ 5/- each held by the members on the record date. The record date fixed was 12 June 2010. Company allotted 5,55,52,348 bonus shares on 14 June 2010. Further, your Company has allotted 2,24,397 equity shares of ₹ 5/- each to the associates of the Company and its subsidiaries upon exercise of an equal number of stock options vested in them pursuant to the extant Stock Option Schemes of the Company.

In view of the above allotments, the outstanding shares of the Company increased from 5,54,99,524 equity shares of ₹ 5/- on 31 March 2010 each to 11,12,76,269 equity shares of ₹ 5/- each on 31 March 2011.

SIGNIFICANT EVENTS

- Opened a new Centre of Excellence (CoE) at Visakhapatnam SEZ
- Renewed contract with Tom Tom for a further period of three years



- The Company's wholly owned subsidiary in the US, Infotech Enterprises America Inc., acquired Wellsco Inc., a Telecom Engineering Company based at Paragould, Arkansas, USA in an all cash deal
- Rebranded Utilities, Telecom & Government (UTG) vertical as Network & Content Engineering (N&CE) - a step towards emerging as a Global Engineering Services Company
- Began long term relationships with Seawell and Westinghouse
- Rewarded shareholders by completing a 1:1 bonus issue of shares

VERTICAL WISE PERFORMANCE

Network & Content Engineering

Network & Content Engineering (erstwhile UTG) vertical is the world's leading dedicated provider of engineering services and solutions. Supported by an outstanding team of consultants and engineers, deep domain knowledge, superior technical expertise, and 20 years of successful engagements, we are well positioned to provide scalable network and content solutions that are fully optimized to support operational efficiency, market response and profitability. Network Engineering provides design, deployment and management of next-generation networks, including fibre networks and smart-grid solutions to some of the major telecom service providers and utilities globally. The Content Engineering division serves major organizations and government in delivering, managing and optimizing their critical content and data needs. Leveraging years of experience and a wide range of next-generation services and solutions, we optimize content to facilitate better business decision-making and support the delivery of tangible business results.

This vertical generated revenues of ₹ 2,322 million as against previous year's ₹ 2,540 million, at a negative growth rate of 8.6%. This vertical contributed 36% of the total operating revenues. Associate strength of the vertical stood at 3,338 as at 31 March 2011.

During the year, 3 trademarks, viz., iGEMS, TruShift and TeemNG were registered by this vertical.

Engineering

This vertical witnessed a series of transformative initiatives to consolidate efforts and to tap the vast synergies for accelerated growth. Restructuring of our Global Aerospace Practice and merging the practice under this vertical made us realize cost efficiencies and revenue opportunities. The restructuring has helped cross \$100 million in terms of aerospace revenues, thus making the Company the leader of aerospace engineering services

in India. Today, this vertical is trusted to solve complex product and process engineering challenges across industries such as Automotive, Aerospace, Consumer & Medical, Energy, Hi-Tech, Heavy Equipment, Marine and Rail.

The Product & Process Engineering vertical of your Company offers a unique combination of engineering skills, domain experience and application know-how. The Company's expert teams in engineering span the complete product development cycle, from concept development through aftermarket support in the areas of Mechanical Design, Electronics Design, Technical publication and Engineering Software Development.

The vertical generated revenues of ₹ 4,155 million as against last year's revenues of ₹ 3,078 million, resulting in an increase of 35%. This vertical contributed 64% of the total operating revenues. Associate strength of the vertical stood at 3,487 as at 31 March 2011.

SUBSIDIARIES

Infotech Enterprises Europe Limited (IEEL), UK

IEEL reported revenues of GBP 14.58 million (₹ 1,031.89 million) as against previous year's GBP 16.46 million (₹ 1,246.9 million). The net profit for the year was GBP 0.25 million (₹ 16.83 million) as against GBP 0.72 million (₹ 54.60 million) in the previous year.

Infotech Enterprises America, Inc. (IEAI), USA

IEAI reported revenues of USD 108.13 million (₹ 4,922.81 million) as against previous year's USD 72.86 million (₹ 3,448.2 million). The net profit for the year was USD 1.94 million (₹ 89.10 million) as against USD 3.24 million (₹ 157.9 million) in the previous year. During the year, IEAI acquired a wholly owned subsidiary i.e., Wellsco Inc.

Infotech Enterprises GmbH (IEG), Germany

IEG reported revenues of Euro 39.65 million (₹ 2,389.95 million) as against previous year's Euro 32.91 million (₹ 2,208.13 million), representing a growth of 20.4%. The net profit for the year was Euro 1.80 million (₹ 107.73 million) as against Euro 2.24 million (₹ 150.7 million) in the previous year.

Infotech Enterprises Japan KK (IEJ), Japan

IEJ reported revenues of ₹ 28.94 million as against ₹ 9.44 million and a net loss of ₹ 13.31 as against ₹ 21.98 million last year; it is expected to improve its business in the coming years.

Infotech Geospatial (India) Limited (IGIL), India

IGIL reported revenues of ₹ 63.51 million as against ₹ 61.64 million last year. It reported a profit of ₹ 3.95 million as against a net loss of ₹ 18.38 million last year.



TTM Institute of Information Technology Private Limited (TIIT), India

TIIT reported a net loss of ₹ 3.09 million as against ₹ 4.47 million last year. During the financial year, TIIT made an application to the Hon'ble High Court of Andhra Pradesh seeking sanction of a scheme of amalgamation with the Company. The Hon'ble High Court has sanctioned the scheme effective 1 April 2011.

Infotech Enterprises Information Technology Services Private Limited (IEITPSL), India

IEITPSL reported revenues of ₹ 71.05 million and a net loss of ₹ 12.88 million.

PARTICULARS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Pursuant to the provisions of Section 212 of the Companies Act, 1956 (Act), documents in respect of the various subsidiaries viz., Directors' Report, Auditor's Report, Balance Sheet and Profit and Loss Account, are required to be attached to the Balance Sheet of the holding company. However, in terms of the provisions of Section 212(8) of the Act, the Government of India, Ministry of Corporate Affairs, has vide letter No. 47/15/2011-CL-III dated 27 January 2011 granted exemption from the provisions of Section 212(1) of the Act. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries of the Company. However, the Company will make available the audited annual accounts and related detailed information of the subsidiaries to the shareholders upon request in accordance with the applicable law. These documents are also available for inspection at the Registered Office of the Company during business hours. The details of accounts of individual subsidiary companies will also be available on the website of the Company.

A statement pursuant to the provisions of Section 212(1)(e) of the Act appears elsewhere in the Annual Report.

FIXED DEPOSITS

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding as on 31 March 2011.

DIRECTORS

Appointments

Mr. K. Ramachandran, Mr. Jaithirth Rao, Mr. Alain De Taeye, Mr. Abhay Havaladar and Mr. Allan Brockett were appointed as directors by the members of the Company on 14 July 2010 under Section 257 of the Act.

Pursuant to Article 56 of the Articles of Association of the Company read with the provisions of Section 256 of the

Act, Mrs. B. Sucharitha, Mr. M.M. Murugappan and Prof. J. Ramachandran retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment.

None of the Directors of the Company is disqualified under the provisions of the Act or under the Listing Agreement with the Stock Exchanges.

Pursuant to the provisions of Clause 49 of the Listing Agreement, brief particulars of the retiring directors who are proposed to be re-appointed are provided as an annexure to the Notice convening the AGM.

Cessations

Mr. William Grabe and Mr. Paul Adams ceased to be directors on the Board effective 14 July 2010. Mr. Sunish Sharma and Mr. David Carter also vacated office as alternate directors under the provisions of Section 313 of the Act.

The Board places on record its appreciation and gratitude to the said directors for their valuable contributions.

AUDITORS

M/s Deloitte Haskins & Sells (DHS), Chartered Accountants (ICAI Reg. No. 008072S), who retire at the ensuing AGM of the Company, are eligible for re-appointment. DHS has confirmed that the re-appointment, if made, would be within the permitted limits under the Act.

SECRETARIAL AUDIT

As a measure of good corporate governance and as recommended by the Ministry of Corporate Affairs' (MCA) Corporate Governance Voluntary Guidelines, 2009, the Company has voluntarily got a secretarial audit done for the FY 2010-11. The audit report is enclosed as Annexure "A".

EMPLOYEE STOCK OPTION PLANS

During the year under report, the Company had various Associate Stock Option Plans in operation for granting stock options to the Associates of the Company and its Wholly Owned Subsidiaries, in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Disclosures pursuant to Para 12 of the said Guidelines are enclosed as Annexure "B".

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed pursuant to provisions of Section 217(1)(e) of the Act read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are enclosed as Annexure "C".



PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in an Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on the Management Discussion & Analysis is enclosed as Annexure "D".

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Act, the Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance features as a part of Annual Report. Further, the Company has substantially complied with the MCA's Corporate Governance Voluntary Guidelines, 2009.

As required under Clause 49 of the Listing Agreement, the Auditors' Certificate regarding compliance of conditions of corporate governance is enclosed as Annexure "E".

Your Company will continue to implement and adhere in letter and spirit to the policies of good corporate governance.

CEO's DECLARATION

Pursuant to the provisions of Clause 49(I)(D)(ii) of the Listing Agreement, a declaration by the Chairman and Managing Director of the Company declaring that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, is enclosed as Annexure "F".

ENVIRONMENT CONSERVATION

Your Company is conscious of its responsibilities as a corporate citizen, particularly in the realm of pollution control and environment conservation. Towards this end, the Company is publishing the abridged standalone financial statements prepared in accordance with the provisions of Section 219 of the Act. Further, the Company also welcomes the Green Initiative in Corporate Governance heralded by the Ministry of Corporate Affairs that enables dispatch of various documents in electronic mode. Complete details of the same, including the Company's proposals to send documents in the electronic form, are available elsewhere in the Annual Report and also on the website of the Company.

ACKNOWLEDGMENTS

Your Directors place on record their gratitude to the Company's shareholders, customers, vendors, bankers and all other stakeholders for their continued support to its growth initiatives. Your Directors also place on record, their appreciation of the contribution made by associates at all levels, who, through their competence, sincerity, hard work, solidarity and dedicated support, have enabled your Company to make rapid strides in its business. Your Directors also thank the Central and State Governments and their various agencies, particularly, the Ministry of Communication & Information Technology, Software Technology Parks of India, Departments of Customs and Central Excise, Ministry of Corporate Affairs, the Governments of the various countries where it has operations, SEBI, Stock Exchanges, Reserve Bank of India, APIIC, and other governmental agencies for extending their support during the year and look forward to their continued support.

For and on behalf of the Board

Place : Hyderabad
Date : April 20, 2011

B.V.R. Mohan Reddy
Chairman and Managing Director



Secretarial Auditors' Report

The Board of Directors
Infotech Enterprises Limited
Hyderabad.

I have examined the registers, records, books and papers of Infotech Enterprises Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, according to the provisions of:

The Companies Act, 1956;

The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and

The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited

I report the following

1. The Company :

- (a) has maintained various statutory registers and documents;
- (b) has closed its Register of Members during the Financial Year for the purpose of Annual General Meeting and Dividend;
- (c) has filed forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) has duly conducted Board Meetings/Committee Meetings;
- (e) has sent the notices as required to its Members;
- (f) has duly conducted the Annual General Meeting on 14.07.2010;
- (g) has duly passed resolutions in respect of remuneration to relative of director under Section 314(1B) and

increase of authorised capital and capitalisation of free reserves for bonus issue through postal ballot;

- (h) has maintained minutes of proceedings of Board Meetings/Committee Meetings and General Meetings;
- (i) has complied with all the applicable provisions with regard to constitution of the Board of Directors / Committee(s) of directors and appointment, retirement and their re-appointment including that of Managing Director/Whole-time Director;
- (j) has complied with all the applicable provisions with regard to payment of remuneration to the Directors including the Managing Director and Whole-time Director;
- (k) has complied with all the applicable provisions with regard to appointment and remuneration of Auditors;
- (l) has delegated power to the Registrar and Transfer Agent to process and approve the transfers and transmissions of the Company's shares;
- (m) has complied with all the applicable provisions with regard to allotment of shares and delivery of original and duplicate certificates of shares;
- (n) has complied with the provisions of the Companies Act, with regard to declaration and payment of dividends;
- (o) has transferred ₹ 1,44,149/- unclaimed dividend pertaining to financial year 2002-03 to the Investor Education and Protection Fund during the financial year;
- (p) has complied with the provisions of Section 372A of the Companies Act, 1956;

2. I further report that:

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel as per Clause 49 of the Listing Agreement;



- (c) there was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers;
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the By-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

4. I further report that:

- (a) the Company has filed the requisite returns, documents, information as per the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;

- (b) the Company has duly complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (c) the Company has filed returns, documents, information as required under the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ;
- (d) the Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects.

Place: Hyderabad
Date : April 16, 2011

S. Chidambaram
Practising Company Secretary
C.P No: 2286



Details of Stock Options pursuant to SEBI guidelines

Annexure-B

Infotech Associate Stock Option Plans (Infotech ASOPs)

Sl. No.	Description	ASOP 2002	ASOP 2004	ASOP 2008
1.	Options granted during the year	Nil	Nil	1343735
2.	Pricing formula	Market price as defined in SEBI (ESOS&ESPS) Guidelines, 1999		
3.	Options vested	138541	1679648	Nil
4.	Options exercised	14585	262636	Nil
5.	Total no. of shares arising as a result of exercise of options	14585	262636	Nil
6.	Options lapsed	5200	243573	7050
7.	Variation of terms of options	Nil	Nil	Nil
8.	Money realized by exercise of Options (₹)	1823125	22294961	Nil
9.	Total no of options in force	197915	1867611	1336685
10.	Employee wise details of options granted to			
	i) Senior Managerial Personnel:			
	V. Rajendra	Nil	Nil	16000
	Ajay Aggarwal	Nil	Nil	15000
	Anand Parameswaran	Nil	Nil	15000
	Ajay Desai	Nil	Nil	10000
	Sundar Viswanathan	Nil	Nil	20000
	G. Devendra Rao	Nil	Nil	10000
	Sanjay Krishnaa	Nil	Nil	9000
	N.J. Joseph	Nil	Nil	9000
	S.A. Lakshminarayanan	Nil	Nil	7500
	Venkata Simhadri	Nil	Nil	6000
	Girish V. Kulkarni	Nil	Nil	5000
	Pandey Pradip Kumar	Nil	Nil	5000
	Ramaswami Anantharam	Nil	Nil	5000
	Hemant Modak	Nil	Nil	5000
	Srinivas Penmetsa	Nil	Nil	4000
	M. Sunil Kumar	Nil	Nil	4500
	V. Jagan Mohan	Nil	Nil	4000
	Rajesh Sehgal	Nil	Nil	4000
	Swarupa Rani Kakumanu	Nil	Nil	3000
	B. L.V. Rao	Nil	Nil	3000
	ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year.	—	Nil	Nil
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	Nil	
11.	Diluted EPS as per Accounting Standard 20 (INR)		10.58	

- Notes:**
- Shares issued pursuant to exercise of options granted under ASOP 2001 have already been allotted/lapsed; hence there is no balance under this plan.
 - No shares under ASOP 2008 grant have yet been vested/allotted to the associates of the Company.



12.	i)	Method of calculation of employee compensation cost	:	The Company has calculated the employee compensation cost using the intrinsic value of the stock options		
	ii)	Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	:	₹ 93.31 Million (increase)		
	iii)	The Impact of this difference on profits and on EPS of the Company	:	Profit After Tax (PAT)	₹	1178.80 million
				Less: Additional employee compensation cost based on fair value	₹	93.31 million
				Adjusted PAT	₹	1085.49 million
				Adjusted EPS	₹	9.76
	iv)	Weighted average exercise price and fair value of Stock Options granted:				
		Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Closing market price at NSE on the date of grant (in ₹)	
		19/05/05	125.25	148.87	281.60	
		19/10/05	131.57	189.76	394.55	
		19/01/06	114.25	260.77	513.75	
		18/10/06	231.00	106.44	231.00	
	17/01/07	355.00	148.65	341.20		
	17/12/07	294.00	118.72	293.45		
	19/02/08	238.00	99.62	241.20		
	13/06/08	250.00	108.13	251.15		
	12/05/09	169.00	70.46	164.70		
	16/09/09	271.00	119.02	269.50		
	05/04/10	375.00	179.57	377.95		
	08/04/10	359.00	173.31	360.70		
	15/04/10	350.00	175.72	362.30		
	02/07/10	188.00	87.81	186.60		
	16/07/10	169.00	82.99	170.50		
	23/10/10	165.00	76.34	165.00		
	02/02/11	165.00	76.93	162.90		
	22/03/11	161.00	78.44	162.95		
	v)	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information	:	The Black Scholes option pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.		
	vi)	The main assumptions used in the Black Scholes option-pricing model during the year were as follows:				
		Risk free interest rate (%)	:	6.73% - 7.85%		
		Expected life of options from the date(s) of grant	:	3-4 years		
		Expected volatility (%)	:	56.16% - 61.55%		
		Dividend yield (%)	:	0.62%		

On behalf of the Board of Directors

Place : Hyderabad
Date : April 20, 2011

B.V.R. Mohan Reddy
Chairman and Managing Director



Annexure to the Directors' Report

Annexure-C

PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

1. Conservation of Energy

The operations of the Company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption by using energy efficient hardware and other equipment. Air-conditioners are used only when required and air-conditioned areas have been treated with heat resistant material like sun control film to reduce heat absorption. We believe that energy saved is energy produced.

2. Research and Development

Your Company has a modern R&D facility with state of-the-art Technology Centre working on various R&D projects.

a) Currently the R&D team is working in the following areas:

1. *iGEMS-NG for Gas and Electric data capture*: This development is aimed at improvising the previous iGEMS technology that your company developed a few years ago. The product obtained a Trademark and the New Generation (NG) improvements are primarily to do with bringing the technology closer to the way a 'Utility' maintains its network data - as different objects. The second most important aspect of this technology is its openness and flexibility. The technology can be configured at the end user's level and will save substantial development efforts that would otherwise be required. Currently, implementation of the technology is in progress for a large USA Utilities with implementation for other clients in the pipeline.
2. *TruShift Version 4*: Your company's R&D team has developed a breakthrough technology for the PAI (Positional Accuracy Improvement) or Automated Conflation requirements of customers in Utilities, Telco and Government. The product obtained Trademark and this technology has been instrumental in winning a many Conflation project recently. TruShift Version 4 has many customizable features and users and can configure the software so that the

automation is optimum. TruShift helps in automating the shifting of Network or Assets information from an older version data into a newer and more accurate land base which is available from many sources. As a result of this shifting and the increased positional accuracy, the utility can make quicker and better decisions in planning, design and maintenance of the network.

3. *InfiPlan*: The needs of the customers are changing in Telco and your Company started offering designing services to the Telco customers. Your Company has developed InfiPlan which helps in automating the designing of network for the Telco customers. This solution helps in reducing the overall cost of the network and optimally places the Telecom assets so that the bill of material is economical.

4. *Smart Grid Demo Center (SGDC)*: The objective of setting-up Smart Grid Demo Center is to showcase the feasibility of multiple utility systems interacting with each other using innovative applications developed in-house, enabling utilities realize benefits in implementing Smart Grid. In the first phase, your Company has successfully completed a few set of functionalities within the SGDC. Your Company has developed geospatial map driven Demand Response (DR) Application which interacts with GIS network data, Smart Meter, MDMS, In-Home Device and Home Appliances for displaying consumption patterns and load levels thematically. This application allows the control center operator to issue DR signals to the participant consumers and to perform direct load control operations.

b) Benefits derived as a result of the above R&D initiatives

All the R&D work done by your Company is aimed at one of the following objectives:

1. Build solutions that compete with the best known names in the industry.



2. Improve operational efficiencies and maximize profitability of a project.
3. Win new business from key customers and also offer new services into the markets worldwide.

(₹ in million)

Particulars	FY 2010-11	FY 2009-10
Revenue Expenditure	3.01	12.63
Capital Expenditure	Nil	Nil
Total R&D Expenditure	3.01	12.63
R&D Expenditure as percentage of Total Revenue	0.04%	0.22%

3. Technology Absorption, Adaptation and Innovation

Your Company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

4. Foreign Exchange Earnings and Outgo

Most of your Company's earnings are from the export of Computer Software and Services. During the year, export earnings accounted for 92% of the total income. In order to promote product sales and services, your Company participated in various exhibitions and carried product promotion activities.

(₹ in million)

Particulars	FY 2010-11	FY 2009-10
Foreign Exchange Earning	6,261.64	5496.85
Foreign Exchange Outgo	1,229.06	974.43

On behalf of the Board of Directors

Place : Hyderabad
Date : April 20, 2011

B.V.R. Mohan Reddy
Chairman and Managing Director



Management Discussion and Analysis Report

Annexure-D

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP FINANCIAL RESULTS (CONSOLIDATED AS PER INDIAN GAAP) FOR THE YEAR ENDED MARCH 31, 2011

SYNOPSIS

The financial year (FY) 2010-11 was a year of mixed financial performance with positive growth in revenue and decline in profitability. Revenues recorded a 24.64% increase over the previous year and the Company achieved a total income of ₹ 1,218 crores including other income. Revenue for FY 10-11 crosses ₹ 1000 crores for the first time (at 1,188 crores), Profit after tax was ₹ 139.69 crores for FY 10-11 compared to ₹ 170.88 crores last year. The increase in profitability due to higher revenues was offset by decrease in operating margins resulting in lower profits.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Overall both Engineering and Network & Content Engineering (N&CE) space have tremendous growth potential. Engineering outsourcing services have gained prominence amongst leading organizations world-wide and the demand for these services is continuously rising. The recently released NASSCOMs - Booz Global Engineering R&D report shows that globally offshorable revenues of both traditional verticals (Aerospace, Automotive, Telecom, Semiconductors, Consumer Electronics and Construction/Heavy Machinery) and emerging verticals (Computing Systems, Energy, infrastructure, Industrial Automation and Medical Devices) are expected to reach between USD 90-100 billion. Out of which, India would be able to garner 40 percent share by year 2020 equivalent to USD 40-45 billion from the current share of about USD 9 billion.

- Infotech provides leading-edge engineering solutions, including product development and lifecycle support, process, network and content engineering to organizations worldwide. With nearly two decades of continuous growth, Infotech leverages a "Global Delivery and Collaborative Engineering Model" to achieve measurable and substantial benefits for its clients.
- Infotech provides infrastructure and network engineering services through geospatial technology solutions and data management services. Focused on electricity, gas and water utilities, telecom network operators, transportation companies and government agencies, this offering helps its customers leverage geospatial technology and data to improve customer satisfaction and asset utilization. With wide-ranging customer engagements, this vertical has enabled the Company to emerge as one of the largest and most accomplished firms in the industry today.

The industries which form part of the Company's business are:

Aerospace

Infotech continues to be a leader in delivering complete product life-cycle engineering solutions to the global aerospace industry. Our strong product knowledge, deep domain knowledge and broad-based experience in engines, structures, systems, interiors and avionics make us the shared-innovation partner of choice for major aerospace manufacturers around the world.

Infotech has crossed the USD 100 Million threshold in annual service revenues to Aerospace industry this year. With Infotech, aerospace manufacturers are able to develop comprehensive solutions designed to reduce the total cost of engineering, increase flexibility in capacity, accelerate time to market, improve access to emerging markets and meet civil and defence offset obligations and ITAR/EAR Compliance.

Automotive

To remain competitive in today's global economy, automotive OEMs and tier-one suppliers are focused on reducing product engineering costs while they introduce new and innovative products and services for emerging markets.

Infotech delivers integrated product engineering solutions to automotive clients globally, helping to compress programme timing, optimize cost and mass, reduce the amount of physical testing and meet new emission and regulatory requirements.

Infotech delivers a measurable, year-on-year productivity improvement by leveraging productivity improvement tools, thereby significantly reducing product engineering costs. Infotech also ensures program-level support across the product development life cycle by utilizing a "right-shore" business model combining onsite, near shore and offshore resources.

Rail

The global rail industry is under constant pressure to keep pace with rapid urbanization and increased passenger demands. At the same time, rail organizations need to constantly modernize their rolling stock and signaling assets through sustainable, innovative engineering solutions.

At Infotech, we partner with global rail majors to address these challenges and more, developing new mass transit and mainline train systems that are safer, faster, more efficient, reliable and environment friendly.

Semiconductor

Infotech is a recognized leader in providing engineering service solutions for the telecom, semiconductor and computing sectors. We have an outstanding track record of "first pass silicon success"



across more than 200 ASIC tapeouts. Our offerings also include "concept to silicon and system prototype" solutions that support ASIC/FPGA engineering and embedded software development. With Infotech, clients have a trusted, highly experienced service provider to help them meet current design requirements, develop new strategies for product development and prepare detailed roadmaps for future design trends.

Heavy Equipment

We provide engineering solutions to the world's leading construction, material handling, mineral processing and production equipment manufacturers across the product engineering life cycle. We have a team of domain and functional experts with decades of product engineering experience in the shop floors and the design houses of production equipment and off - highway vehicle manufacturers. We provide integrated new product development solutions that include benchmarking, conceptualization, detailed engineering and digital validation.

Energy

We provide engineering solutions to world's leading power generation equipment manufacturers, EPCs and Power Plant owners, across the product & process engineering value chain. Our team of engineers has extensive experience in Fossil, Nuclear & Wind Energy segment and thus provides best-in-class engineering solutions right from energy generation to transmission and distribution.

We have helped various customers in improving equipment efficiency while keeping the product cost competitive. We have contributed to the clean & sustainable goal of our customers by contributing in projects aimed at achieving lesser emissions using eco-friendly technologies.

Consumer

Infotech is developing some of the smartest, most innovative product solutions in the industry today for consumer companies. Each one is carefully designed, implemented and supported with a strong focus on technical excellence, reduced time to market, improved cost leadership and effective strategies for green manufacturing.

Our team of experienced professionals delivers engineering solutions for a wide range of industry segments, including consumer electronics, consumer durables, lighting, office automation, gaming and security equipment. We support the entire product life cycle, from pre-product development to ongoing manufacturing support and testing.

Utilities

Rising energy prices and deregulation are increasingly affecting the utilities industry. Consumers are looking for increased

reliability, better quality, faster service, improved performance and greater access to information.

In the past, the transmission and distribution market has been relatively static and slow to change. But now it finds itself at the convergence of energy and telecommunications markets, forcing change and innovation in support of a 21st century intelligent utility network - the Smart Grid.

Infotech is using its unique combination of experience, industry knowledge, partnerships and global delivery capabilities to help utilities meet their business challenges.

Telecom

Telecom service providers are facing enormous challenges in today's markets. The introduction of high-speed voice data and new video services by cable companies, satellite carriers, wireless broadband providers and others have created significant competitive pressures and increased the need for cutting-edge technology solutions.

More specifically, telecoms want to be sure that their systems and data can match the growing demands on Fixed Net and wireless networks. In the case of inventory networks - where dramatic changes are taking place in terms of a global, IP based next-generation network, it is crucial that systems and data support this new business model.

Infotech has earned an outstanding record of success in helping global telecoms achieve their technical and market goals. Our Global Delivery Model encompasses multiple processes and methodologies to eliminate the surprise element from projects and deliver measurable results for our clients. Our solutions have been used by some of the most successful telecom companies to build sophisticated data sets to support the network operations that drive business efficiency and support improved customer services.

OPPORTUNITIES AND THREATS

Presented below is the management's assessment of some key potential opportunities and threats associated with its business. Management is looking to leverage such opportunities in an effective manner to optimize business advantages and is also focused to create effective mitigation strategies for all potential threats that could impact the business operations.

A more detailed Risk Management Report is available elsewhere in the Annual Report.

Opportunities

The Company, on a continuous basis, scans the market for scalable opportunities and has over the past twelve months identified some key areas of growth opportunities. These opportunities are in the areas of Product Engineering, Process Engineering and



N&CE. The Company is making concerted efforts and investments to move up the value chain in its chosen markets. A major investment that the company made during last fiscal year was the acquisition of Wellsco Inc. in USA. Further, significant investments were made in acquiring new competencies & services. It includes strengthening of domain knowledge in practices, hiring highly talented sales and marketing managers, restructuring of businesses, project management office, investments in new geographies, etc.

The Company is experiencing significant traction from its existing customers and is receiving several enquiries from potential customers in its chosen markets.. The Company continues to invest in building relationships with its current and prospective customers as well as in its global delivery model to ensure the total cost of ownership would remain low for the customer.

Threats

Following are some of the major risks, which the management believes form a part of the company's business and tries to address the same through corporate actions:

- ◆ Financial Risks - includes foreign currency rate fluctuations, liquidity and leverage.
- ◆ Business Portfolio Risks - includes vertical domain concentration, service concentration, client concentrations and geographical concentration.
- ◆ Legal and Statutory Risks -includes contractual liabilities & statutory compliances.
- ◆ Competition Risks - New competitors may enter the markets in which your company operates.

A more detailed analysis of the above appears in the Risk Management report elsewhere in the Annual Report.

FORECAST

- ✓ The Company is confident of sustainable growth.
- ✓ The global technology related spending is expected to grow led by adoption of outsourcing and this would augur well for the Company.
- ✓ Greater focus on cost and operational efficiencies in the global environment is expected to enhance global sourcing.
- ✓ The Company would remain focused on tactical measures to improve margins by increase in prices, offering more value added products, cost savings through fresh hiring's and higher efficiency & productivity.

FINANCIAL OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The management of the company accepts responsibility for the integrity and objectivity of the financial statements as well as for the various estimates used therein. The financial statements have been prepared on a prudent and reasonable basis to reflect in a true and fair manner the state of affairs of the company.

RESULTS OF OPERATIONS

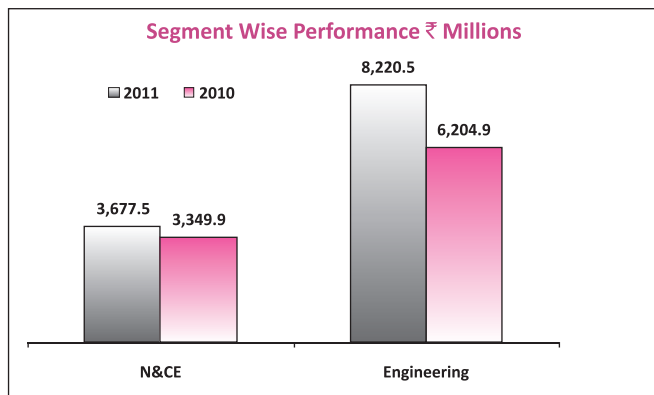
Total Income

Particulars	Year ended March 31				(In ₹ million)
	2011	%	2010	%	%
Income from Export sales	11,574.8	95.1%	9,319.2	93.2%	24.2%
Income from Domestic sales	305.3	2.5%	212.0	2.1%	44.0%
Total Sales	11,880.1	97.6%	9,531.2	95.4%	24.6%
Other Income	295.5	2.4%	463.7	4.6%	-36.3%
Total Income	12,175.6	100.0%	9,994.9	100.0%	21.8%

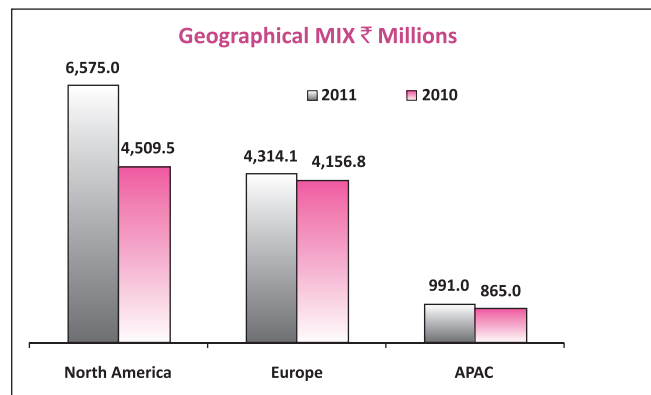
The Company's total income increased by 21.8% to ₹ 12,175.6 million from ₹ 9,994.9 million due to increased revenue. Other income gone down during the year mainly due to adverse exchange rate movements.



Segment wise Performance



Geographical Mix



Inter-vertical revenues worth ₹ (7.9) million for FY 2010-11 and ₹ (23.6) million for FY 2009-10 has been adjusted.

Customer Concentration

Particulars	2011	2010
Top 5 Customers	37.9%	43.4%
Top 10 Customers	56.7%	58.7%

The support from top 10 customers has been extremely encouraging.

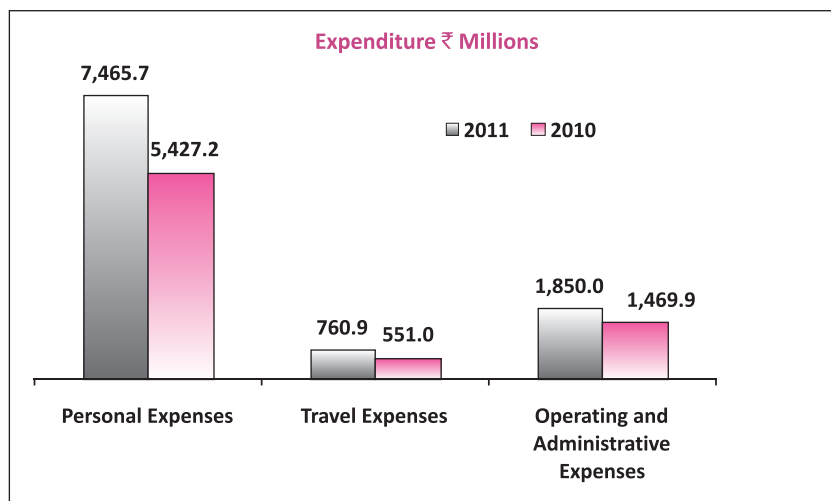
Offshore/Onsite Revenue Mix

Particulars	2011	2010
Offshore	49.0%	55.9%
Onsite	51.0%	44.1%
Total	100.0%	100.0%

Offshore/onsite revenue mix has been in line with our expectation.

Expenditure

During the year, the personnel costs of the Company increased by 37.6% due to increase in manpower, salary increase and acquisitions. There is an increase in travel and other operating & administrative expenditure in line with increase in revenues and continued investments for future growth.





Profitability

(In ₹ million)

Particulars	Year ended March 31				Growth %
	2011	% of Total Income	2010	% of Total Income	
Earnings before interest, depreciation and tax (EBIDTA)	1,803.6	14.8%	2083.1	20.8%	-13.4%
Financial Expenses	15.5	0.1%	31.2	0.3%	-50.6%
Depreciation	485.9	4.0%	435.7	4.4%	11.5%
Other Income	295.6	2.4%	463.7	4.6%	-36.3%
Profit Before Tax	1,597.7	13.1%	2079.9	20.8%	-23.2%
Tax	269.8	2.2%	505.1	5.1%	-46.6%
Profit for the Year*	1,396.9	11.5%	1,708.8	17.1%	-18.3%

*Including share of profit from associate and minority interest

The reduction in profitability and margins is mainly on account of following factors:

- Salary increases for both offshore and onshore employees without equivalent rate increases from customers.
- Hiring of far more laterals compared to fresher's which again put burden on the cost of wages.
- Acquisitions which operated at less than 10% margins took longer time to create offshore workload. The acquired entities revenues exerted pressure on margins on consolidated revenues.
- Step-up in our overhead burden with not so corresponding increase in revenues, as some of these were investments in organization and initiatives whose results will fructify in coming years.

Earnings before Interest, Tax & Depreciation and Amortization (EBITDA)

The company registered a 13.4% downward in EBITDA. While EBITDA decreased to ₹ 1,803.6 million as against ₹ 2,083.1 million, PAT decreased to ₹ 1,396.9 million as against ₹ 1,708.8 million in previous year due to increase in personnel costs, travel, operating & administrative expenditure and reduction in other income.

Financial Expenses

Financial Expenses decreased by 50.6% this was due to repayment of outstanding packing credit taken from banks during the previous year.

Depreciation

Depreciation has increased by 11.5% due to addition of fixed assets.

Provision for Taxation

The provision for taxation for FY 2010-11 is ₹ 269.8 million.

Liquidity

The growth of the Company is largely financed by internal cash generations through operations. As of March 31, 2011, the Company had cash and cash equivalents of ₹ 3,836.44 million, a decrease of 0.1% as compared to the previous year's ₹ 3,841.78 million, despite capex of ₹ 728.70 million and investment of ₹ 217.48 million in Wellsco Inc.

The Company's policy is to maintain sufficient cash to fund the ongoing capex requirements, operational expenses and other strategic initiatives for the next year and to maintain business continuity in case of any exigencies.



Internal Control

The Company's internal control system is adequate considering its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of applicable corporate policies.

During the year, M/s. Bhaskar Rao & Company carried out an internal audit of the India entity and M/s. Ernst & Young for our overseas subsidiaries. The audit is based on an Internal Audit plan, which is reviewed at the beginning of the year in consultation with the statutory auditors (Deloitte Haskins & Sells) and the Audit Committee. There is a good coordination and communication between the Auditors.

The Audit Committee reviews Audit Reports submitted by Independent Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions.

The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems. The Company's Management and Board monitor and make enhancement to the internal control framework on an ongoing basis.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES (HR)

Infotech continues to usher in healthy and effective HR practices. The Company has brought forth and successfully implemented several world-class HR & corporate practices and helped create the requisite infrastructure to support the growth of the Company. We believe the Company's ability to support its business strategy with its human capital is an important indication of the Company's future business performance. The Company has put in place robust recruitment processes and helped scale critical engagements in a very short span of time.

A hallmark of the Company's HR policies is aligning talent acquisition strategy with the Company's business strategy. These include talent acquisition and building the verticals with varied domain specialists, leadership development initiatives and successful implementation of stock option plans. HR at Infotech plays a strategic role and supports the organization and its various components in achieving various goals and targets set by deploying best practices and measures.

A more detailed report on the material developments in HR in the Company appears elsewhere in the Annual Report under the Intangible Assets Monitor.

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

Readers are cautioned not to place undue reliance on this forward looking statement. The following discussion and analysis should be read in conjunction with our financial statements included herein and the notes thereto.



Annexure-E

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To
The Members of
Infotech Enterprises Limited
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Infotech Enterprises Limited (the "Company"), for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Registration No. 008072S)

Ganesh Balakrishnan
Partner
(Membership No. : 201193)

Place: Secunderabad
Date : April 20, 2011

Annexure-F

CEO's Declaration

I, B.V.R. Mohan Reddy, Chairman and Managing Director do hereby declare that pursuant to the provisions of Clause 49(I) (D) (ii) of the Listing Agreement, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

Place : Hyderabad
Date : April 12, 2011

B.V.R. Mohan Reddy
Chairman and Managing Director



Report on Corporate Governance

1. The Company's Philosophy on Corporate Governance

The Company believes that corporate governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for the effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders. Through its processes and independence of functioning, the Board of Directors of the Company provides effective leadership to the Company and its management for achieving sustained prosperity for all the stakeholders.

The cornerstone of the Company's philosophy on corporate governance is accountability to stakeholders, transparency in operations and fairness to all stakeholders. The Board considers itself as a trustee of its stakeholders including its shareholders and acknowledges its responsibilities towards them for safeguarding their interest. The overall endeavour is to take the Company forward, to maximize long term value and shareholders' wealth.

2. Board of Directors

The Chairman and Managing Director manages the affairs of the Company. The Board of Directors of the Company comprises an appropriate combination of Executive and Non-Executive Directors drawn from industry, academia, investors and customers.

The Company has an Executive Chairman and the number of Independent Directors is more than one-half of the Board. As on 31 March 2011, the Company had 10 Directors on its Board, of which 6 Directors are independent and 2 are Non-Executive Directors. None of the Directors on the Board is a Member on more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

- a) The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting are given below:

Name of the Director	Director Identification Number	Category	Board Meetings held	Board Meetings attended	Last AGM
Mr. B.V.R. Mohan Reddy	00058215	Promoter, Executive	4	4	Yes
Mrs. B. Sucharitha	00709959	Promoter, Executive	4	4	Yes
Mr. M.M. Murugappan	00170478	Independent, Non-Executive	4	3	Yes
Mr. G.V. Prasad	00057433	Independent, Non-Executive	4	3	No
Prof. J. Ramachandran	00004593	Independent, Non-Executive	4	3	No
Mr. K. Ramachandran	00193357	Independent, Non-Executive	4	4	Yes
Mr. Jaithirth Rao	00025289	Independent, Non-Executive	4	0	No
Mr. Alain De Taeye*	03015749	Independent, Non-Executive	4	2	Yes
Mr. Paul Roger Adams#	00872586	Non-Independent, Non-Executive	2	0	No
Mr. William Grabe#	01606050	Non-Independent, Non-Executive	2	0	No
Mr. Allan Brockett@	03173936	Non-Independent, Non-Executive	2	1	N.A.
Mr. Abhay Havaladar@	00118280	Non-Independent, Non-Executive	2	2	N.A.
Mr. Sunish Sharma#	00274432	Alternate Director	2	1	N.A.
Mr. David Carter#	02416674	Alternate Director	2	0	N.A.

* Appointed as additional director w.e.f. 21 April 2010

Ceased to be director w.e.f. 14 July 2010; Mr. Sunish Sharma and Mr. David Carter ceased to be alternate directors w.e.f. the same date.

@ Appointed as director in the Annual General Meeting as director on 14 July 2010



b) Details of number of directorships and Committee Memberships held by Directors in other companies:

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. B.V.R. Mohan Reddy	1	4	-	2
Mrs. B. Sucharitha	-	-	-	-
Mr. M.M. Murugappan	5	2	3	1
Mr. G.V. Prasad	-	8	1	2
Mr. Alain De Taeye	-	-	-	-
Prof. J. Ramachandran	1	8	4	4
Mr. K. Ramachandran	-	1	-	-
Mr. Jaithirth Rao	-	3	-	1
Mr. Allan Brockett	-	-	-	-
Mr. Abhay Havaladar	-	1	-	1

c) Meetings and Attendance during the year 2010-11:

Quarter	No. of Meetings	Dates on which held
April '10 to June '10	1	21 April 2010
July '10 to September '10	1	14 July 2010
October '10 to December '10	1	14 October 2010
January '11 to March '11	1	19 January 2011
TOTAL	4	

3. Board Procedure

The calendar of meetings of the Board of Directors is determined well in advance of the commencement of the financial year. Notices of the Meetings of the Board are issued by the Company Secretary on the advice and guidance of the Chairman & Managing Director. The agenda and notes thereon are finalised by the Chairman & Managing Director and circulated sufficiently in advance by the Company Secretary.

Detailed discussions take place at the meetings of the Board; comprehensive presentations are made to the board to facilitate considered, objective and informed decision making. Heads of the business verticals, geo-heads and heads of the subsidiaries too attend the meetings of the board to provide a better perspective on the over all operations of the Company. Participation by directors and senior executives is sometimes also ensured by teleconferencing or Webex. A report on the action taken on decisions of the previous meetings is also put up to the board regularly.

Subject to the provisions of the Act, urgent matters are also approved by passing resolutions by circulation. Board committees usually meet before the board meeting or whenever the need arises for transacting any business.

Availability of information to the directors:

The following information, *inter alia*, is provided to the directors of the Company:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.



5. Minutes of the meetings of the subsidiary companies.
6. General notices of interest received from directors.
7. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any.
8. Show cause, demand, prosecution notices and penalty notices which are materially important.
9. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
10. Any material default in financial obligations to and by the company, or substantial non-payment for services sold by the company.
11. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
12. Details of any joint venture or collaboration agreement.
13. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
14. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc., if any.
15. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
16. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
17. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
18. Legal compliance reports and details of payment of statutory dues.

The time gap between two meetings of the Board did not exceed four months. The Company has voluntarily adopted and implemented the Secretarial Standards on Meetings of the Board of Directors and Minutes (SS-1 and SS-5 respectively) issued by the Institute of Company Secretaries of India (ICSI).

Whistle Blower Policy

The Company has implemented a Whistle Blower Policy that provides a formal mechanism for all associates of the Company including subsidiaries to approach the Ombudsperson of the Company and make protective disclosures about unethical behaviour and actual or suspected fraud. The objective of the Whistle Blower Policy is to provide associates, customers and vendors an avenue to raise concerns, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Further, the policy also provides necessary safeguards for protection of associates from reprisals or victimization for whistle blowing in good faith. The Ombudsperson investigates the issue and reports the same along with appropriate course of action to the Chairman and Managing Director (CMD) of the Company; CMD in turn will report to the Board on a quarterly basis. The outcome of the investigation will be intimated to the complainant. In exceptional cases, where the complainant is not satisfied with the outcome of the investigation carried out by the Ombudsperson, he / she can make a direct appeal to the Chairman of the Audit Committee of the Company. The implementation of the Whistle Blower Policy is also in line with Clause 7 of Annexure ID of Clause 49 of the Listing Agreement.



4. Audit Committee

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and as per the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges.

a) Brief description of terms of reference

The terms of reference of the Audit Committee are in conformity with the provisions of Sub-clause II of Clause 49 of the Listing Agreements with the Stock Exchanges which, *inter alia*, include the following:

- Oversight of the Company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing of their fees.
- Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- Discussion with statutory and internal auditors regarding nature and scope of audit.

b) The composition and details of the meetings of the Audit Committee are as follows:

Name of the Member	Position	Meetings held during the year	Meetings attended
Mr. M.M. Murugappan	Chairman	4	3
Prof. J. Ramachandran	Member	4	3
Mr. K. Ramachandran	Member	4	4
Mr. Paul Roger Adams*	Member	2	—

*Mr. David Carter was his Alternate Director and both ceased as Members w.e.f. 14 July 2010

The Company Secretary acts as Secretary of the Committee.

The Chairman of the Audit Committee had attended the 19th Annual General Meeting (AGM) and addressed the queries of shareholders.

5. Remuneration Committee

The Company has constituted a Remuneration Committee with terms of reference to evaluate compensation/commission and benefits for Directors and to frame policies and procedures for Associate Stock Option Plans as approved by the shareholders. This Committee also acts as Nomination Committee and Compensation Committee.

a) The composition of the Remuneration Committee is as follows:

Name of the Member	Position
Mr. M.M. Murugappan	Chairman
Mr. Jaithirth Rao*	Member
Mr. K. Ramachandran	Member
Mr. B.V.R. Mohan Reddy@	Member

*Appointed as a Member w.e.f. 14 July 2010

@ Ceased as a Member w.e.f. 14 July 2010



b) Remuneration Policy:

The Company while deciding the remuneration package of the directors and senior management personnel takes into consideration the following:

- (i) employment scenario
- (ii) remuneration package in the industry and
- (iii) remuneration package of the managerial talent of other industries.

The Non-Executive Directors (NEDs) are eligible for commission not exceeding an aggregate of 1% of the net profits of the Company for all such Directors and not exceeding ₹ 900,000 per person, per annum, as per the resolution passed by the Members of the Company through postal ballot on 12 October 2009. The details of distribution of Commission amongst the NEDs is approved by the Board. The Commission is distributed on the basis of their attendance and contribution at the Board.

The Company pays sitting fees of ₹ 10,000 per meeting to the NEDs for attending the meetings of the Board and other Committees.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Chairman & Managing Director as approved by the shareholders of the Company. The Company pays remuneration by way of salary, perquisites and allowances to the Whole Time Director as approved by the Shareholders of the Company. The ceiling on perquisites and allowances as a percentage of salary, is fixed by the Board.

c) Details of remuneration to the Directors:

(Amount in ₹)

Name of the Director	Salary	Commission	Sitting Fee	Provident Fund Contribution	Superannuation	Total
Mr. B.V.R. Mohan Reddy	30,00,000	1,95,51,674	—	3,60,000	4,50,000	2,33,61,674
Mrs. B. Sucharitha	18,00,000	—	—	2,16,000	2,70,000	22,86,000
Mr. M.M. Murugappan	—	9,00,000	60,000	—	—	9,60,000
Mr. Paul Roger Adams	—	4,50,000	—	—	—	4,50,000
Mr. Allan Brockett	—	4,50,000	—	—	—	4,50,000
Mr. G.V. Prasad	—	9,00,000	40,000	—	—	9,40,000
Mr. William Grabe	—	4,50,000	—	—	—	4,50,000
Prof. J. Ramachandran	—	9,00,000	60,000	—	—	9,60,000
Mr. K. Ramachandran	—	9,00,000	80,000	—	—	9,80,000
Mr. Jaithirth Rao	—	9,00,000	—	—	—	9,00,000
Mr. Alain De Taeye	—	9,00,000	20,000	—	—	9,20,000
Mr. AbhayHavaladar	—	4,50,000	30,000	—	—	4,80,000
TOTAL	48,00,000	2,67,51,674	2,90,000	5,76,000	7,20,000	3,31,37,674

The above amounts do not include provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation/premium paid are not available for the Managing Director and Whole Time Director.



d) Shareholding of the Directors in the Company as on 31 March 2011

Mr. B.V.R. Mohan Reddy, Chairman and Managing Director, holds 1,45,74,720 equity shares and Mrs. B. Sucharitha, Whole Time Director, holds 65,41,200 equity shares in the Company.

Mr. M.M. Murugappan, holds 30,000 equity shares in the company pursuant to exercise of stock options. These options have been issued and are subject to the terms and conditions of the ASOP Scheme in the Company. No other non-executive director holds any shares, convertible instruments or stock options in the company. As on 31 March 2011, there are no outstanding options granted, including those which are vested and unexercised, to any of the Directors of the Company.

During the year company has issued and allotted bonus shares in the ratio of 1:1; consequently the holdings of directors has doubled as a result of the above corporate action.

6. Shareholders/Investors Grievance Committee

a) Terms of reference:

The Committee was constituted to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.

b) The composition of the Shareholders Grievance Committee is as follows:

Name of the Member	Position
Mr. G.V. Prasad	Chairman
Mr. B.V.R. Mohan Reddy	Member
Mrs. B. Sucharitha	Member
Mr. M.M. Murugappan*	Chairman
Mr. Paul Roger Adams*	Member

* Ceased as a Chairman/Member w.e.f. 14 July 2010

c) Name and Designation of Compliance Officer:

Mr. Sudheendhra Putty – Company Secretary

d) No. of Shareholders Complaints received during the year 2010-11

During the year 2010-11, a total of 102 complaints/letters was received from the shareholders and all were disposed of during the year. Their break up is as follows:

Sl.No.	Nature of Complaint/Request	Received	Disposed	Pending
1	Change/Correction of Address	33	33	--
2	Non Receipt of Dividend Warrants	21	21	--
3	Request for ECS Facility	3	3	--
4	Change/Correction of Bank Mandate	3	3	--
5	Non Receipt of Annual Report	5	5	--
6	Non receipt of Securities	7	7	--
7	Others	30	30	--
	TOTAL	102	102	--

e) No. of complaints not solved to the satisfaction of shareholders:

There were no complaints that were not resolved to the satisfaction of shareholders.

f) No. of pending share transfers:

All shares which were received for transfer during the year, complete in all respects, were transferred and no transfer was pending.



The Company obtains a Certificate of Compliance from Mr. S. Chidambaram, Company Secretary in Practice, at half-yearly intervals, certifying that the share transfer requests complete in all respects have been processed and share certificates with transfer endorsement have been issued by the Company within the stipulated time periods. This certificate is also filed with both Stock Exchanges where the Company's shares are listed.

In order to facilitate speedier redressal of investors' grievances, the Company has created an exclusive email ID Company.Secretary@infotech-enterprises.com Shareholders may lodge their queries addressed to this email ID which would be attended to on priority.

7. General Body Meetings

- a) Location and time, where last three Annual General Meetings were held:

Annual General Meeting	Venue	Time & Date	Number of Special Resolutions passed
19th AGM	Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad - 500 063	2:30 p.m. on July 14, 2010	0
18th AGM	-do-	2:30 p.m. on July 1, 2009	2
17th AGM	-do-	2:00 p.m. on July 23, 2008	2

- b) No Extra-Ordinary General Meeting of the shareholders was held during the year.
- c) Special Resolutions passed through postal ballot during the last year.

During the year, approval of the members was obtained through postal ballot for the following:

- i. Revision of remuneration to Mr. B. Ashok Reddy, President (Global HR & CA) and to Mr. Krishna Bodanapu, President (Engineering), who are relatives of Mr. B.V.R. Mohan Reddy, Chairman and Managing Director and Mrs. B. Sucharitha, Whole -Time Director of the Company. The results of the postal ballot are as follows:

Particulars	Revision of remuneration to Mr. B. Ashok Reddy	Revision of remuneration to Mr. Krishna Bodanapu
Voting	No. of Votes	No. of Votes
Votes in favour	1,21,64,464	1,21,64,464
Votes against/not in favour	2,331	2,331
Votes Invalid	5	5

- ii. Alteration of Capital Clause in the Memorandum of Association of the Company, capitalization of free reserves and issue of Bonus Shares in the ratio of 1:1. The results of the postal ballot are as follows:

Particulars	Alteration of Capital Clause in the Memorandum of Association	Capitalization of Free Reserves and issue of Bonus Shares in the ratio of 1:1
Voting	No. of Votes	No. of Votes
Votes in favour	1,84,60,264	1,84,60,420
Votes against/not in favour	156	0
Votes Invalid	1	1

Mr. S. Chidambaram, Company Secretary in Practice was appointed as Scrutineer for both the Postal Ballots.



- d) Whether any special resolution proposed to be conducted through postal ballot.

Presently, no special resolution is proposed to be conducted through postal ballot.

- e) Procedure for postal ballot

Company will conduct the postal ballot in accordance with the provisions of the Companies Act, 1956 and the Rules made thereunder.

8. Disclosures

- a) The Chairman & Managing Director and Chief Financial Officer have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement.
- b) There are no materially significant related party transactions, *i.e.* transactions material in nature, with the promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have a potential conflict with the interest of the Company at large, except those that are disclosed under the Notes to Accounts and which the management feels are in the normal course of the Company's business.
- c) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of sitting fee and commission.
- d) A compliance report of all applicable laws and regulations as certified by the Chairman & Managing Director, Chief Financial Officer and the Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable Laws and gives appropriate directions wherever necessary. The Board considers materially important Show Cause/Demand Notices received from Statutory Authorities and the steps/action taken by the Company in this regard.

A status report of material legal cases and disputed liabilities pending before the various courts is also put up to the Board on a quarterly basis.

- e) The Board of Directors has laid-down a 'Code of Conduct' (Code) for all the Board Members and senior management personnel of the Company and this Code is posted on the website of the Company. Annual declaration is obtained from every person covered by the Code. The declaration of the Chairman & Managing Director, as required under Clause 49 of the Listing Agreement, is published elsewhere in the Annual Report.
- f) The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. A detailed note on the risk identification and mitigation is included in the Risk Management Report and Management Discussion and Analysis annexed to the Directors' Report.
- g) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- h) Mrs. B. Sucharitha, Whole Time Director, is the Spouse of Mr. B.V.R. Mohan Reddy, Chairman and Managing Director of the Company.
- i) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of the Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No personnel has been denied access to the Ombudsperson /Chairman of the Audit Committee. This is a non-mandatory requirement under Clause 49 of the Listing Agreement.

9. Secretarial Audit

In terms of the Corporate Governance Voluntary Guidelines, 2009, issued by the Ministry of Corporate Affairs, a Secretarial Audit was conducted for the financial year 2010-11. Mr. S. Chidambaram, Company Secretary in Practice conducted the Secretarial Audit and the Report was placed before the Board of Directors of the Company. The same has been published as annexure to Directors Report. The Audit covered the provisions of the Companies Act, 1956, the Depositories Act, 1996, the Listing Agreement with the Stock Exchanges and the SEBI guidelines/regulations on Employees Stock Options, Insider Trading and Takeover Code.



10. Means of Communication

- a) Statutory advertisements and financial results of the company (Quarterly, Half-yearly and Annual) are normally published in 'Business Standard' or 'Financial Express' in English and 'Andhra Bhoomi' or 'Andhra Prabha' regional language dailies (Telugu).
- b) Apart from the financial results, all official press releases of the Company and presentations made to the institutional investors and analysts, if any, are being placed on the Company's website.
- c) The company also releases all price sensitive information simultaneously to NSE/BSE and the media.

Company's Corporate Website

The website of the Company, www.infotech-enterprises.com gives comprehensive information about the management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial results, press releases, shareholding pattern, information relating to R&T agents and frequently asked questions.

11. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, are discussed in the said report.

12. Compliance of Insider Trading Norms

The Company has adopted the code of internal procedures and conduct for listed companies notified by the SEBI prohibiting insider trading.

13. General Shareholder Information

- a) AGM - Date, Time and Venue : 20 July 2011 at 2.30 p.m.
Bhaskara Auditorium, B.M Birla Museum,
Adarsh Nagar, Hyderabad - 500 063
- b) Financial Year : April 1 to March 31
- c) Date of Book Closure : 13 July 2011 to 20 July 2011 (both days inclusive)
- d) Dividend Payment Date : 1 August 2011
- e) Listing on Stock Exchanges : The Bombay Stock Exchange Ltd.,
P J Towers, Dalal Street, Fort,
Mumbai - 400 001.

The National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400 051.
- f) Stock Code
The Bombay Stock Exchange Ltd. : 532175 / INFOTECENT
The National Stock Exchange of India Ltd. : INFOTECENT / EQ
Corporate Identification Number (CIN) : L72200AP1991PLC013134



- g) Market price data: High/Low during each month in the financial year 2010-11 and performance in comparison to broad based indices such as BSE Sensex and Nifty

The information on market price of the Company's stock and its comparison with NSE Nifty and BSE Sensex is given below:

Infotech Share price on NSE and BSE and in comparison with NSE Nifty & BSE Sensex

Month & Year	NSE (in ₹)		NIFTY		BSE (in ₹)		SENSEX	
	High	Low	High	Low	High	Low	High	Low
April 10	412.80	351.00	5399.65	5160.90	411.25	352.30	18,047.86	17,276.80
May 10	396.95	359.00	5278.70	5210.05	400.00	360.00	17,536.86	15,960.15
June 10								
Pre Bonus	387.00	366.65			394.90	365.00		
Post Bonus	201.00	182.10	5366.75	5311.05	202.00	180.10	17,919.62	16,318.39
July 10	191.80	162.00	5477.50	5435.15	195.90	165.55	18,237.56	17,395.58
Aug 10	175.00	152.00	5549.80	5348.90	175.15	151.00	18,475.27	17,819.99
Sep 10	177.00	154.10	6073.50	6018.30	177.20	152.60	20,267.98	18,027.12
Oct10	195.00	154.20	6284.10	5937.10	196.80	154.00	20,854.55	19,768.96
Nov 10	165.40	148.20	6338.50	5690.35	167.25	148.10	21,108.64	18,954.82
Dec 10	175.00	144.05	6147.30	5721.15	175.00	144.90	20,552.03	19,074.57
Jan 11	178.00	155.00	6181.05	5416.65	176.00	157.00	20,664.80	18,038.48
Feb 11	171.00	157.50	5599.25	5463.40	169.25	158.00	18,690.97	17,295.62
Mar 11	168.00	156.00	5872.00	5778.65	168.00	155.00	19,575.16	17,792.17

Note: Company has issued bonus shares in the ratio of 1:1 in the month of June 2010; hence the stock price has been adjusted suitably by the exchanges.

- h) Registrar and Transfer Agents : Karvy Computershare Private Limited
Unit: Infotech Enterprises Limited
 Plot No. 17 to 24, Vithalrao Nagar,
 Madhapur, Hyderabad - 500 081.
 Tel : +91-40-44655000
 Fax : +91-40-44655024
 Email : mailmanager@karvy.com
 Website : www.karvy.com

- i) Share Transfer System

Shares lodged for physical transfer are registered within a period of 8 days as against service standard of 15 days, if the documents are clear and complete in all respects. The shares duly transferred would be dispatched to the shareholders concerned within a week from the date of approval of transfers by the Share Transfer Committee. For this purpose, the Share Transfer Committee meets as often as required. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. As the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL / CDSL through their depository participants.

Karvy Computershare Private Limited is the Common Share Transfer Agent for both physical and dematerialised mode.



j) Distribution of Shareholding

The Distribution of shareholding of the Company as on 31 March 2011 is as follows:

Sl. No.	Category		Number of Shareholders	Percentage of Shareholders	Number of Equity Shares	Percentage of Shareholding
	From	To				
1	1	5,000	9,372	84.91%	17,16,425	1.54%
2	5,001	10,000	793	7.18%	10,93,849	0.98%
3	10,001	20,000	465	4.21%	13,38,924	1.20%
4	20,001	30,000	124	1.12%	6,33,605	0.57%
5	30,001	40,000	58	0.53%	4,07,459	0.37%
6	40,001	50,000	41	0.37%	3,68,213	0.33%
7	50,001	100,000	69	0.63%	10,56,493	0.95%
8	100,001	Above	116	1.05%	10,46,61,301	94.06%
	Total		11,038	100.00%	11,12,76,269	100.00%

Shareholding pattern:

Category	No. of Shareholders	No. of Shares held	% of Holding
Promoters:			
Individual	13	2,56,07,226	23.01%
Non-promoter:			
Mutual Funds	22	81,18,427	7.30%
Foreign Institutional Investors	35	2,56,25,422	23.03%
Bodies Corporate	293	85,91,362	7.72%
Individuals	10383	76,17,927	6.84%
Non Resident Indians	236	38,85,951	3.49%
Trusts	4	1,62,120	0.15%
Foreign Nationals	26	4,59,873	0.41%
Foreign Collaborators	4	3,10,75,514	27.93%
Clearing Members	22	1,32,447	0.12%
Total	11038	11,12,76,269	100.00%

Note: Mr. K. Basi Reddy (Promoter Group) has pledged 5,10,146 equity shares of ₹ 5/- each constituting 0.46% of the paid up equity share capital of the Company.



Shareholders holding more than 1% of shares:

Name of the shareholder	No. of Shares held	% of Holding
Mutual Funds/Bodies Corporate:		
ICICI Prudential Life Insurance Company Ltd	77,12,935	6.93%
SBI Mutual Fund - Magnum Tax Gain 1993	24,00,078	2.16%
ICICI Prudential Discovery Fund	21,18,636	1.90%
Foreign Institutional Investors/Bodies Corporate:		
GA Global Investments Limited	1,63,95,554	14.73%
Carrier International Mauritius Limited	1,52,92,960	13.75%
Smallcap World Fund, Inc	60,00,000	5.39%
American Funds Insurance Series Global Small Capitalization Fund	51,71,976	4.65%
Ironwood Investment Holdings	49,16,178	4.42%
Kotak India Focus Fund	29,35,098	2.64%
Tele Atlas Data's Hertogenbosch B V	15,00,000	1.35%
Swiss Finance Corporation (Mauritius) Limited	11,82,318	1.06%
Individuals		
Bhashyakarlu Rambhala	14,14,000	1.27%
Promoters		
B. V. R. Mohan Reddy	1,45,74,720	13.10%
B. Sucharitha	65,41,200	5.88%
B. G. V. Krishna	18,25,760	1.64%
B. Sri Vaishnavi	17,90,400	1.61%

Reconciliation of Share Capital

Mr. S. Chidambaram, Company Secretary in Practice carried out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. This reconciliation is done on a quarterly basis and reported to the Board of Directors and also to the Stock Exchanges.

k) Dematerialization of shares and liquidity

As per SEBI guidelines on investor protection, the Company's shares are to be traded only in dematerialized mode. Accordingly, the Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity for scripless trading. As at the end of March 31, 2011, 96.48% of the outstanding equity shares of the Company are in electronic form.

The Company's shares are being traded on the National Stock Exchange of India Limited (NSE) and The Bombay Stock Exchange Limited (BSE) under ISIN- INE136B01020.

l) Outstanding GDRs/ADRs/Warrants or any other convertible instruments conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants/convertible debentures during the year 2010-11 and there are no outstanding convertible instruments which will impact the equity.



m) Development Facilities

The Company has Software Development facilities, the particulars of which are as follows:

Development Facilities	Location
Hyderabad	i. Plot No.8, 9, 10 & 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 ii. Plot No.2, IT Park, Nanakramguda, Manikonda, Hyderabad-500 032
Bangalore	Infotech IT Park, Plot No.110 A & 110B, Phase - I, Electronics City, Adjacent to E.City Fire Station, Hosur Main Road, Bangalore-560 100
Visakhapatnam	Survey No. 410, Plot No. 14, SEZ Units, Hill No. 3, Rushikonda, Madhuravada (V), Visakhapatnam-530 007
Kakinada	Katyayani Hi-tech Complex, 4th, 5th and 6th Floors, Door No. 13-1-61/64, Main Road, Near II Town Police Station, Kakinada - 533 001.
Noida	Plot No. 11, Block "B", Sector 63, NOIDA - 201 301

*Complete list of development centres, subsidiaries and other offices is available elsewhere in the Annual Report.

n) Address for Correspondence and contact persons for investors' queries

Investors' correspondence may be addressed to Mr. Sudheendhra Putty, Company Secretary and Compliance Officer and any queries relating to the financial statements of the Company may be addressed to Chief Financial Officer at the Registered Office of the Company at 4th Floor, 'A' Wing, Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 Tel:+91-40-2312-4004/2312-4006 Fax: +91-40-6662-4368, Email : Company.Secretary@infotech-enterprises.com/Ajay.Aggarwal@infotech-enterprises.com

Besides, investors may also make correspondence with the Share Transfer Agents, whose particulars are:

Karvy Computershare Private Limited

Unit: Infotech Enterprises Limited
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad-500081

Contact Person: Mr. M.S.Madhusudhan

Tel: +91-40-44655000/44655152 Fax: +91-40-44655024
Email: mailmanager@karvy.com/mohsin@karvy.com, Web: www.karvy.com

14. Details of dividend declaration dates and due dates of transfer to IEPF

Financial Year	Rate of Dividend	Date of Declaration of Dividend (Date of AGM)	Due date to claim the dividend	Unpaid dividend balance amount as on 31/03/11 (in ₹)
2003-2004	12.5%	July 27, 2004	September 3, 2011	173,341
2004-2005	15%	July 21, 2005	August 27, 2012	140,668
2005-2006	22.5%	July 19, 2006	August 25, 2013	170,498
2006-2007	22.5%	July 18, 2007	August 24, 2014	288,560
2007-2008	24%	July 23, 2008	August 29, 2015	344,975
2008-2009	30%	July 01, 2009	August 07, 2016	290,190
2009-2010	40%	July 14, 2010	August 20, 2017	349,402

For the financial year 2002-03, Company has transferred the unclaimed dividend to the IEPF and filed the relevant forms with the Registrar of Companies, Andhra Pradesh.



Risk Management

"It doesn't work to leap a twenty-foot chasm in two ten-foot jumps"

– -American proverb

The management cautions readers that the risks outlined below are not exhaustive and are for information purposes only. This report also contains statements which are forward looking in nature and investors are requested to exercise their own judgment in assessing various risks associated with the Company and to refer to the discussions of risks in the Company's earlier Annual Reports.

The global economic outlook has changed significantly. The past two years have been very challenging for the IT industry. The economic downturn of 2009 severely impacted most economies around the world. Along with US, Western Europe and advanced Asian countries which were hit hard by the crises, emerging economies also suffered badly.

The Indian IT industry, witnessed recovery and progressed, as the effects of this downturn began fading. The Company's continued emphasis on focused collection mechanisms and active management of foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates reduces the risk to the Company. The Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.

We have a risk management team to support our business initiatives in these changing times. Vertical heads are responsible for the identification of risk and for isolating the risk reward option in the business concerned vertical.

The Company's operations are organized into 2 major verticals:

- N&CE (Network and Content Engineering)
- Engineering

The Company evaluates risks in an unbiased way. Risk Management includes identification, analysis and evaluation of risks, the appropriate response, tracking and reporting of risks to provide assurance regarding the achievement of objectives. It builds on existing management processes and structures and concentrates on formalization of process to the most relevant risks identified. Each of the vertical heads has set frameworks within which the risk and rewards are operated. Risks involved in each project are identified by the respective project managers and informed accordingly to the Senior Managers at the review meetings held every month. The project related risks are evaluated and brought to the notice of the Chairman and to the Board of Directors. Risk information goes to management and includes information on material risks and assessment of the risk management environment, along with proposed action or action taken. The Board of Directors ensures that the Audit Committee is regularly informed of the same. The Board of Directors is also responsible for putting in place required checks and balances

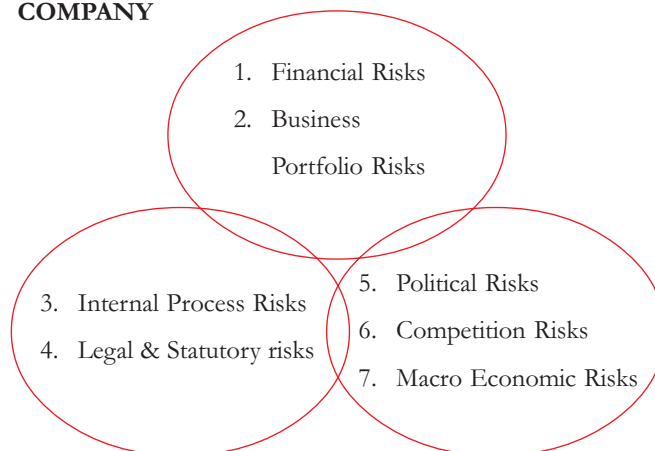
whereas the Executive Management handles the implementation of risk mitigation measures.

The Company operates in a rapidly changing environment that involves a number of risks, some of which are beyond its control. This discussion highlights some of the risks which may affect future operating results. The Company's operating results and financial conditions have varied in the past and may vary significantly in the future depending on a number of factors. These are the risks and uncertainties we believe are most important to consider. The following factors, among others, could cause actual results to differ materially from those contained in forward-looking statements made in this Annual Report and presented elsewhere by management from time to time.

The risks identified by the management and which form part of the Company's business are

1. Financial Risks
2. Business Portfolio Risks
3. Internal Process Risks
4. Legal and Statutory Risks
5. Political Risks
6. Competition Risks
7. Macro Economic Risks

RISK MANAGEMENT FRAMEWORK OF THE COMPANY



1. Financial risks

- Foreign currency rate fluctuations
- Liquidity

1.1 Foreign currency rate fluctuations

The international nature of our business exposes us to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions. These risks include:



- adverse income tax consequences resulting from foreign income tax examination, such as challenges to our transfer pricing arrangements, challenges to our ability to claim tax holiday benefits in the countries in which we operate
- Potential fluctuation or decline in foreign economies
- Unexpected changes in regulatory requirements, including immigration restrictions, potential tariffs and other trade barriers
- Government currency control and restrictions on repatriation of earnings

The Company derives a significant portion of its revenues in Foreign Currencies. Principal currencies dealt with by the Company include US Dollar, Great Britain Pound, Euro and Australian Dollar. The Company is also exposed to deriving revenues from 25 different countries. A large proportion of its expenses are in Indian rupees. Therefore the operating profits are subject to foreign currency rate fluctuations. While the depreciation of the Indian Rupee would have a favourable bottom-line impact, an appreciation would affect the Company's profitability adversely. Such volatility would also affect the assets located at various locations worldwide in terms of their carrying value. The Company has a foreign exchange risk management policy in place to hedge against risks associated.

1.2 Liquidity

It is essential for every Company that apart from having a good fixed assets base, it shall also have a high level of liquidity so as to enable itself to re-align to any dynamic business changes. Therefore, as a strategy, the Company always believes in having a liquid balance sheet. The cash flow of the Company is largely dependent on the credit terms extended to clients and the effective recovery of the same from them. Delays in recovery have a direct impact on the liquidity position of the Company. As on 31 March 2011, the following is the liquidity position of the Company:

Ratio	2011	2010
Days of sales receivable	79	87
Cash and Cash Equivalents as % of assets*	29.74%	34.74%
Cash and Cash Equivalents as % of revenue*	48.15%	55.33%

* Cash and cash equivalents for FY2011 includes investment in Mutual funds amounts to ₹ 3,341.18Lakhs.

The Company also has a policy to settle its payables well within stipulated time frames. Further, the nature

of business is such that significant investments may have to be made in sales & marketing, training and research and development activities. All these factors call for considerable liquidity.

2. Business portfolio risks

A business is subject to the risks involved with respect to the service lines being offered by it, the geographies in which it operates, clients on which it is highly dependent, etc. Our profitability is dependent on billing and utilization rates, which may be negatively affected by various factors.

Our profit margin is largely a function of the rates we are able to charge for our services and the utilization rate of our professionals. The rate at which we are able to charge our services are affected by a number of factors, including:

- Clients' perception of our ability to add value through our services
- The introduction of new services by us or our competitors
- The size and/or duration of the engagement
- The pricing policies of our competitors
- Ability to charge premium prices when justified by market demand or type of skill set or service
- General economic conditions

A number of factors affect our utilization rate, including:

- Ability to transition team members quickly from completed or terminated projects to new engagements
- Ability to maintain continuity of existing resources on existing projects
- Ability to obtain visas or applicable work permits for offshore personnel to commence projects at a client site for new or existing engagements
- The amount of time spent by team members on non-billable training projects
- Ability to maintain resources who are appropriately skilled for specific projects
- Ability to forecast demand for our services and thereby maintain appropriate number of team members
- Seasonal trends, primarily or hiring cycle, holidays and vacations

The Company is subject to these kinds of risks and therefore has steps in place to prevent undue concentration in one service, vertical, client or geography. The following are the risks addressed:

- Vertical domain concentration
- Service concentration
- Client concentration
- Geographical concentration



2.1 Vertical domain concentration

Vertical domains relate to the industry in which the clients operate. The Company has a client base, which operates in product engineering, process engineering and Network (Utilities, Telecom) and Content Engineering (Consulting Services, Data Accumulation Services, Content Aggregation Services, Geospatial Data Services and Enterprise Content Management).

During the previous year, most of the Company's revenues were derived from Engineering. During the year, the Company mitigated this risk to a certain extent by bagging new contracts in the areas of Aerospace, Railways and from Government agencies.

Excess dependence in any one or a few verticals may lead to risks aligned due to downturn in any of the industries. Therefore, the Company has its risks divided between the various verticals so as to insure itself in the long run from downturn in any particular vertical.

During the year, the Company had its revenues distributed in the ratio of 36:64 between the N&CE and Engineering verticals respectively.

2.2 Service concentration

The Company has an array of service offerings across its Business Verticals, namely, Geospatial Data Services, Geospatial Technical Services, Engineering Design Services, etc. The Company has carefully crafted its service offerings which are focused and specialized to provide expert solutions in its chosen verticals. These service offerings are purely client based and there can be a possibility that the clients may not require the same in the future.

The Company mitigates such risk by identifying the other services needed by the clients by closely working with the client group.

2.3 Client concentration

This risk emanates primarily from excessive exposure to a few large clients and any fluctuation in revenue streams emanating from these clients will potentially impact the profitability adversely and increases credit risk.

During the year under review, the Company added 15 new clients as against 14 customers last year and further reduced the concentration from its top 5 clients and top 10 clients. (Details provided in Management Discussion & Analysis Report). This is mostly on account of traction in smaller existing clients and new clients. Contributions from top clients are generally higher among the companies in the growth phase and hence the management believes that the dependence on a few clients would further reduce in the coming years.

2.4 Geographical concentration

Concentration of revenue in a particular geography is subject to risks arising due to economic conditions, trade policies, work culture and political situation of that particular geography. However, no limitations can be set to particular geographies since each market has distinct characteristics of future growth prospects.

During the year, the Company witnessed a substantial change in geographic mix with increase in the contributions from the European geography. The ratio is 47:38:15 for North America, Europe and Other countries (Including Domestic sales) compared to 40:45:15, last year. The company continues to focus on the Asia Pacific region and believes the geographic concentration risk to come down further. Over the last couple of years, the Company started operation in Japan and Malaysia and the results thereof will start rolling out shortly.

Additional details with regard geographical concentration have been provided in the Management Discussion and Analysis report.

3. Internal process risks

- Internal control systems
- Project execution
- Human resource management
- Technological obsolescence
- Disaster prevention and recovery
- Growth through acquisitions

3.1 Internal control systems

The Company has internally developed certain standard operating procedures which specify the procedures to be followed for performing each particular operation and hence ensures that appropriate information reaches the management so as to facilitate proper monitoring. Adherence to these is in turn ensured through internal audit procedures, quality and security checks conducted from time to time. Changes are made to these to facilitate easy understanding of the procedures and provide flexibility in operations. The following are some of the initiatives taken by the Company to ensure internal control:

- Internal audit team is set up which looks into the proper functioning of all the systems and whether procedures are in place;
- Security Audit is conducted each quarter to ensure confidentiality and integrity;
- A Committee headed by the Chairman of the Company approves any change in policy matters.



3.2 Project execution

Mitigation of risk involved in each project is important as this leads to the profitability of the Company. Reducing uncertainty in delivery, completing the project within the budgeted cost and time are the major elements of this risk. While the uncertainty in delivery is solved through proper guidance to the project leaders, the risk relating to completion in budgeted cost has been attended through implementation of Project Profitability system within the company.

3.3 Human Resource Management

Human Resources function has turned out to be a key function in every company in the current scenario. People are considered to be the key resource for growth of a Company. The Company has always believed in providing a favourable work environment to its associates (employees are designated as associates) along with balanced compensation package. In this pursuit, the Company conducts an annual review amongst its employees on various subjects. This ensures innovation and creativity towards the work and helps the Company retain talent over the years.

3.4 Technological obsolescence

With the extremely fast changing field of information technology, it is important for every company to keep itself upgraded with the latest technology solutions. This results in old technologies becoming redundant and hence needs to be written off. The cost of acquiring technology also includes the cost of installation and re-training.

The following table gives depreciation expense and software expense as a proportion of revenues for the last two years.

Ratio	FY 2011	FY 2010
Depreciation/Average Gross Block	7.88%	9.94%
Depreciation/Total Revenue	5.52%	6.70%

The company's amortization strategy reflects the requirements of the various categories of systems. Depreciation during the year was lower compared to previous year as some of the assets were fully written off.

3.5 Disaster prevention and recovery

The Company adheres to various standards to ensure that the information is secure and is not prone to

controllable disasters. Adherence to standard has ensured that the company has a disaster prevention and recovery system in place. The disaster recovery plans are created and monitored for each of its work locations as well as for each technology centres. Possible risks for all centers have been identified and action plans are put in place to cope with any contingencies. These plans are reviewed and updated periodically to make sure that they are in sync with changes in technology and risks. The markets in which we operate are subject to the risk of earthquakes, floods and other natural disasters.

3.6 Growth through Acquisitions

The Company has grown both organically and in-organically in the past few years. Acquisitions are done for a variety of reasons, i.e., to enter new markets, expand services offerings, acquiring new technology & domain skills and cost synergies. It also entails risk for the company's future growth and profitability, if the synergy expected from the acquisition does not materialize for any external or internal reasons. To ensure preparedness for such growth, Executive Management internally outlines strategic objectives, evaluation guidelines and tentative implementation mechanisms for any such possibility.

During 2010-11, the Company through its wholly owned subsidiary, IEAI, acquired Wellsco Inc., in the US. Wellsco Inc. primarily focuses on telecom engineering and off highway equipment market.

Restrictions on immigration may affect our ability to compete for and provide services to clients in the United States, Europe, or other countries, which could result in lost revenue and delays in client engagements and otherwise adversely affect our ability to meet our growth and revenue projections.

Acquisitions that we have completed and any future acquisitions, strategic investments, partnerships or alliances could be difficult and/or identify, divert the attention of key management personnel, disrupt our business, dilute stockholder value and adversely affect our financial results, including impairment of goodwill and other intangible assets.

4. Legal and Statutory Risks

- Contractual Liabilities
- Statutory Compliance

4.1 Contractual liabilities

The management has clearly charted out a review and documentation process for contracts. This process focuses on evaluating the legal risks involved in a contract, on ascertaining the legal responsibilities of



the Company under the applicable law of the contract, on restricting its liabilities under the contract and covering risks. The management reviews this on a continuous basis and takes corrective action, as appropriate. As a matter of policy the company does not enter into contracts, which have open-ended legal obligations. To date, the company has no material litigation in relation to contractual obligations pending against it in any court in India or abroad.

4.2 Statutory compliance

The Company has a compliance officer to advise the company on compliance issues with respect to the laws of various jurisdictions in which the company has its business activities and to ensure that the company is not in violation of the laws of any jurisdiction where the company has operations. The compliance officer, who is also the Company Secretary, reports from time to time on the compliance or otherwise of the laws of various jurisdictions to the board of directors. Generally, the company takes appropriate business decisions after ascertaining from the compliance officer and, if necessary, from independent legal counsels, that the business operation of the company is not in contravention of any law in the jurisdiction in which it is undertaken. Legal compliance issues are an important factor in assessing all new business proposals. We operate in jurisdictions that impose transfer pricing and other tax-related regulations on us, and any failure to comply could materially and adversely affect our profitability. In the event that the Government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.

5. Competition Risks

New competitors may enter the markets the Company operates in or current competitors could decide to focus more on these markets, and thereby intensify the highly competitive conditions that already exist. Such developments would enable these new and existing competitors to offer

similar services at reduced prices. This could harm the Company's business and results of operations. The management keeps track of the market movements and acts accordingly to mitigate this risk. The IT services market is highly competitive and our competitors may have advantages that may allow them to compete more effectively than we do to secure client contracts and attract skilled IT professionals.

6. Political risks

Recognizing that India's education system, its world-class professionals, and its low cost structure give it an intrinsic comparative advantage in software exports, successive governments have accorded a special status to this industry. Task Forces comprising politicians, bureaucrats and industrialists have recommended policy measures to give a fillip to the Indian IT industry. On the whole, the Government's favorable disposition towards the IT industry - and specifically towards software exports - is highly encouraging. Given the consensus among all leading political parties on the importance of the software industry, it is likely to remain a focus area for governmental policy in the years to come. Changes in the policies of the Government of India or political instability could delay the further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our business and prospects. Terrorist attacks or a war could adversely affect our business, results of operations and financial condition. Legislation in certain countries in which we operate, including the United States and the United Kingdom, may restrict companies in those countries from outsourcing work to us.

7. Macro Economic Factors

Changes in the global economic environment are bound to have an impact on the progress of every company's growth. The Company has succeeded in fighting through the tough economic conditions last year. The management has invested significant time in meeting the clients to provide the insights and various advantages along with the assurance, which is important to build a global delivery model.



AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

TO THE MEMBERS OF INFOTECH ENTERPRISES LIMITED

- (i) We have examined the abridged Balance Sheet of Infotech Enterprises Limited ('the Company') as at March 31, 2011, the abridged Profit and Loss Account and the Cash Flow Statement for the year ended on that date, together with the notes thereon. These financial statements are the responsibility of the Company's Management.
- (ii) These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the audited financial statements of the Company for the year ended March 31, 2011 prepared in accordance with the provisions of sub-section 3(C) of

Section 211 of the Companies Act, 1956 and covered by our report dated April 20, 2011 to the members of the Company, which report is attached hereto.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 008072S)

GANESH BALAKRISHNAN

Partner
Secunderabad, April 20, 2011 (Membership No. 201193)



Auditors' Report

AUDITORS' REPORT TO THE MEMBERS OF INFOTECH ENTERPRISES LIMITED

1. We have audited the attached Balance Sheet of **INFOTECH ENTERPRISES LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 008072S)

GANESH BALAKRISHNAN

Partner

Secunderabad, April 20, 2011

(Membership No. 201193)



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business, clauses (ii), (viii), (x), (xii), (xiii), (xiv), (xvi), and (xix) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, the Company is in the process of reconciliation and discrepancies, if any, noted during such reconciliation would be accounted in the next year.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of unsecured loans granted by the Company to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and according to the information and explanations given to us:
 - (a) The Company has granted loans aggregating ₹ 1,500,000 to one party. At the year-end, the outstanding balances of such loans aggregated ₹ 829,749 and the maximum amount involved during the year was ₹ 927,140 (number of parties - one).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The receipts of principal amounts and interest have been as per stipulations.
 - (d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of CARO are not applicable to the Company.
 - (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4(iii) of CARO are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) In respect of transactions with subsidiaries, having regard to the explanations from the management that the transactions dealt are of special nature and therefore suitable alternative sources are not readily available for obtaining comparable quotations which we are unable to comment. There are no other transactions made in pursuance of such contracts or arrangements exceeding the value of ₹ 5 lakhs in respect of any party during the year.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.



(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹)
Value Added Tax - CST	Demand on domestic services rendered	Appellate Deputy Commissioner, Commercial Taxes	2006-07, 2007-08, 2008-09 and 2009-10	5,837,661
Value Added Tax - APVAT	Demand on applicability of sales tax on domestic services rendered	Appellate Deputy Commissioner, Commercial Taxes	2006-07, 2007-08, 2008-09 and 2009-10	2,140,322

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by its subsidiaries from banks are not *prima facie* prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register

maintained under Section 301 of the Companies Act, 1956 during the year.

- (xiii) The Management has not raised any money by public issue during the year.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

GANESH BALAKRISHNAN
Partner
(Membership No. 201193)

Secunderabad, April 20, 2011

Standalone Financial Statements

Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956.

Abridged Balance Sheet

(Amount in ₹)

	As at March 31, 2011		As at March 31, 2010	
I. Sources of Funds :				
1. Shareholders' Fund				
(a) Capital		556,381,345		277,497,620
(b) Reserves and Surplus				
(i) Securities Premium Account	3,650,963,799		3,627,967,698	
(ii) General Reserve	4,300,000,001		3,747,094,001	
(iii) Contingency Reserve	161,000,000		161,000,000	
(iv) Balance in Profit and Loss Account	411,155,787	8,523,119,587	224,788,571	7,760,850,270
TOTAL		9,079,500,932		8,038,347,890
II. Application of Funds :				
1. Fixed Assets				
(a) Net Block (Original Cost less depreciation and amortisation)	2,702,399,932		1,994,461,500	
(b) Capital Work in Progress	60,739,889	2,763,139,821	604,842,299	2,599,303,799
2. Investments				
(a) Investment in Subsidiary Companies - unquoted	1,401,970,988		1,203,155,988	
(b) Others - unquoted	391,354,469	1,793,325,457	1,560,364,576	2,763,520,564
3. Deferred Tax Asset (net)		14,229,308		23,991,358
4. Current Assets, Loans and Advances				
(a) Sundry Debtors	1,454,179,449		903,495,484	
(b) Cash and Bank Balances	2,938,627,127		1,860,555,427	
(c) Loans and Advances	1,815,908,605		1,304,307,606	
(d) Unbilled Revenue	225,928,175		227,565,126	
	6,434,643,356		4,295,923,643	
Less: Current Liabilities and Provisions				
(a) Liabilities	644,758,028		735,833,644	
(b) Provisions	1,281,078,982		908,557,830	
	1,925,837,010		1,644,391,474	
Net Current Assets		4,508,806,346		2,651,532,169
TOTAL		9,079,500,932		8,038,347,890
Notes to Accounts				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 20, 2011

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Sundar Viswanathan
Chief Financial Officer

Place : Hyderabad
Date : April 20, 2011

B. Sucharitha
Whole-time Director

Sudheendhra Putty
Company Secretary

Standalone Financial Statements



Statement containing salient features of Profit and Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956.

Abridged Profit and Loss Account

(Amount in ₹)

	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME		
Services Rendered	6,476,669,017	5,617,996,151
Interest	134,253,136	114,569,298
Dividend	42,213,064	45,071,721
Other income	143,999,917	301,861,176
TOTAL INCOME	6,797,135,134	6,079,498,346
EXPENDITURE		
Personnel Expenses	3,306,021,808	2,786,819,833
Travelling and Conveyance	563,810,494	428,132,163
Professional Charges	417,862,587	294,095,005
Managerial Remuneration	33,137,674	37,204,380
Auditors' Remuneration	3,850,000	2,757,500
Provision for Doubtful Debts and Advances/Deposits	7,431,968	3,212,501
Other expenses	772,208,919	567,240,362
Depreciation and Amortisation	375,480,215	407,068,488
Financial Expenses	2,988,479	4,705,037
TOTAL EXPENDITURE	5,482,792,144	4,531,235,269
Profit Before Taxation	1,314,342,990	1,548,263,077
Provision for Taxation	135,539,435	280,616,907
Profit After Taxation	1,178,803,555	1,267,646,170
Add: Balance brought forward from previous year	224,788,571	80,507,064
Add: TTM (India) Private Limited Amalgamation Adjustment	—	6,526,147
Amount Available for Appropriation	1,403,592,126	1,354,679,381
Appropriations :		
Transfer to General Reserve	830,667,740	1,000,000,000
Proposed Dividend @ 25% (2009-10: 40 %)	139,095,336	110,999,048
Tax on distributed profits	23,101,997	18,864,288
Residual Dividend and Dividend Tax paid	(428,734)	27,474
Balance carried to Balance Sheet	411,155,787	224,788,571
Earnings Per Share (Equity Shares, Face Value of ₹ 5 Each)		
- Basic	10.60	11.45
- Diluted	10.58	11.41
Number of Shares used in computing Earnings Per Share		
- Basic	111,178,498	110,688,292
- Diluted	111,380,808	111,118,280

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 20, 2011

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Sundar Viswanathan
Chief Financial Officer

Place : Hyderabad
Date : April 20, 2011

B. Sucharitha
Whole-time Director

Sudheendhra Putty
Company Secretary



Cash Flow Statement

(Amount in ₹)

	For the year ended	
	March 31, 2011	March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,314,342,990	1,548,263,077
Adjustment for :		
Depreciation and Amortisation	375,480,215	407,068,488
Financial Expenses	2,988,479	4,705,037
Provision for Doubtful Debts and Advances/Deposits	7,431,968	3,212,501
Loss on Sale of Fixed Assets	52,884	4,774,497
Foreign Exchange (Gain)	(48,325,756)	(17,563,350)
Interest on Loans and Deposits	(134,253,136)	(114,569,298)
Dividend Income from Current Investments	(31,178,264)	(33,127,971)
Dividend Income from Associate Company	(11,034,800)	(11,943,750)
Amalgamation adjustment for TTM (India) Private Limited	-	3,900,353
Profit on Sale of Current Investments	(480,754)	(5,520)
Cash generated before working capital changes	1,475,023,826	1,794,714,064
Working Capital changes:		
(Increase)/Decrease in Sundry Debtors	(558,115,933)	461,271,248
(Increase)/Decrease in Unbilled Revenue	1,636,951	(52,083,814)
(Increase)/Decrease in Loans and Advances	(45,321,483)	(300,046,288)
Increase/(Decrease) in Current Liabilities and Provisions	(4,043,566)	(408,784,285)
CASH GENERATED FROM OPERATING ACTIVITIES	869,179,795	1,495,070,925
Income Taxes Paid	(288,720,708)	(201,259,384)
NET CASH GENERATED FROM OPERATING ACTIVITIES	580,459,087	1,293,811,541
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Change in Capital Work in Progress	(539,942,122)	(330,425,407)
Long term Investments in Subsidiaries	(198,815,000)	(274,230,000)
Proceeds from Sale of Fixed Assets	573,001	4,835,647
Purchase of Current Investments	1,169,010,107	(1,503,127,576)
Dividend Income from Current Investments	31,178,264	33,127,971
Proceeds from Sale of Current Investments	480,754	5,520
Proceeds from long term matured deposits	1,378,714,652	25,257,206
Longterm deposits placed with banks	(2,205,482,920)	(1,378,714,652)
Interest on loans and deposits	84,072,048	135,910,882
Dividend Income from Associate Company	11,034,800	11,943,750
NET CASH USED IN INVESTING ACTIVITIES	(269,176,416)	(3,275,416,659)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	1,121,985	1,348,640
Increase in Securities Premium account on account of further issue of Share Capital	22,996,101	26,612,660
Repayment of Secured Loans	-	(188,034,774)
Financial Expenses Paid	(2,988,479)	(4,705,037)
Dividends Paid	(129,539,990)	(97,226,832)
NET CASH USED IN FINANCING ACTIVITIES	(108,410,383)	(262,005,343)
D. EXCHANGE DIFFERENCES ON TRANSLATION OF CASH AND CASH EQUIVALENTS	48,325,756	17,563,350
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	251,198,044	(2,226,047,111)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Infotech Enterprises Limited	480,188,528	2,702,521,033
TTM (India) Private Limited	-	3,714,606
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	731,386,572	480,188,528
Supplementary Information:		
Cash and Bank Balances	2,938,627,127	1,860,555,427
Less: Long Term Deposits with Scheduled Banks considered as Investment	2,205,482,920	1,378,714,652
Less: Balance in unclaimed dividend accounts	1,757,635	1,652,247
Balance considered for Cash Flow Statement	731,386,572	480,188,528

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 20, 2011

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Sundar Viswanathan
Chief Financial Officer

Place : Hyderabad
Date : April 20, 2011

B. Sucharitha
Whole-time Director

Sudheendhra Putty
Company Secretary



Notes to the abridged financial statements for the year ended March 31,2011

1. Description of Business

(Refer to Note No. 1 of Schedule 15 of the annual standalone financial statements)

The Company is engaged in providing global technology services and solutions specialising in geospatial, engineering design and IT solutions. Infotech Enterprises Limited (hereinafter referred to as 'Infotech') has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in United States of America (USA), United Kingdom (UK), Germany, Japan and India. The Company's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting and implementation. Infotech specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

2. Related Party Transactions

(Refer to Note No. 12 of Schedule 15 of the annual standalone financial statements.)

List of related parties on which the Company is able to exercise the control.

a) Subsidiaries

Name of the Subsidiary Companies
Infotech Enterprises Europe Limited, UK. (IEEL)
Infotech Enterprises Benelux B.V Netherlands - A subsidiary of IEEL
Mapcentric Consulting Limited, UK - A subsidiary of IEEL
Dataview Solutions Limited, UK - A subsidiary of IEEL
Infotech Enterprises America Inc., USA (IEAI)
Infotech Software Solutions Canada Inc., Canada - A subsidiary of IEAI
Infotech Enterprises Electronic Design services Inc., - A subsidiary of IEAI
Daxcon Engineering Services Inc., USA - A subsidiary of IEAI *
Wellsco Inc., USA - A Subsidiary of IEAI (w.e.f. August 9, 2010)
Infotech Enterprises GmbH, Germany (IEG)
Infotech Enterprises AB, Sweden - A subsidiary of IEG (w.e.f April 8, 2010)
Infotech Geospatial (India) Limited, India
TTM Institute of Information Technology Private Limited, India
Infotech Enterprises Japan KK, Japan
Infotech Enterprises Information Technology Services Private Limited, India

*Merged with IEAI w.e.f 1st January, 2011

b) Associate

Name of the Associate Company
Infotech Aerospace Services Inc. , Puerto Rico, USA

c) Joint Venture

Name of the Joint Venture Company
Infotech HAL Limited, India

Standalone Financial Statements



Notes to the abridged financial statements (Contd.)

d) Key Management Personnel

Name	Designation
B.V.R. Mohan Reddy	Chairman and Managing Director
B. Sucharitha	Whole Time Director
S.A. Lakshminarayanan	Chief Operating Officer - N&CE
K. Ashok Kumar	Chief Technology Officer
Sundar Viswanathan	Chief Financial Officer (w.e.f. April 5, 2010)
Bhanu Cherukuri	Chief Strategy Officer
A. Ramaswami	Chief Information Officer (w.e.f. October 21, 2010)

e) Relative of Chairman & Managing Director and Whole Time Director

Name of Relative	Designation
Krishna Bodanapu	President - Engineering
B. Ashok Reddy	President - Global Human Resources & Corporate Affairs

The transactions with the related parties are summarised below:

(Amount in ₹)

Nature of Transactions	Transactions for the year ended		Closing Balance as on	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Transactions with Subsidiary Companies:				
Revenue/Receivables				
Infotech Enterprises Europe Limited, UK	375,931,459	652,351,042	29,958,751	79,213,331
Infotech Enterprises America Inc., USA*	915,621,150	1,110,987,604	250,364,913	165,463,375
Infotech Enterprises GmbH, Germany	1,243,418,490	1,185,512,689	150,606,412	135,213,041
Infotech Software Solutions Canada Inc., Canada	21,011,588	784,100	7,460,272	-
Infotech Geospatial (India) Limited, India	29,807,400	22,152,315	8,569,017	-
Infotech Enterprises Japan KK, Japan	7,706,247	342,631	3,493,954	36,475
Infotech Enterprises Electronic Design services Inc., USA	199,912,994	30,534,370	86,958,170	22,903,178
Infotech Enterprises Information Technology Services Private Limited, India	10,673,610	-	-	-
*Transaction with Daxcon Engineering Services Inc are clubbed with IEAI, as it amalgamated with IEAI.				
Consultancy Charges/Payables				
Infotech Enterprises America Inc., USA	205,088,996	37,992,437	20,997,800	6,190,336
Infotech Enterprises GmbH, Germany	45,196,125	60,125,166	3,887,498	2,344,449
Infotech Enterprises Europe Limited, UK	6,569,058	14,415,355	-	-
Infotech Geospatial (India) Limited, India	18,583,942	57,125,068	3,230,480	27,702,628
Infotech Enterprises Japan KK, Japan	2,256,908	3,405,509	-	3,395,695
Infotech Software Services Canada Inc., Canada	14,755,825	-	4,743,119	-
				(Contd.)

Standalone Financial Statements



Notes to the abridged financial statements (Contd.)

Reimbursement of Expenses/payables				
Infotech Enterprises America Inc., USA	39,660,649	13,099,324	8,537,793	-
Infotech Enterprises GmbH, Germany	25,577,379	19,731,874	2,318,770	-
Infotech Enterprises Europe Limited, UK	10,069,817	7,485,553	1,743,831	-
Infotech Geospatial (India) Limited, India	1,039,270	5,202,538	12,679	4,729,493
Investments				
Infotech Enterprises Europe Limited, UK	-	-	303,747,950	303,747,950
Infotech Enterprises America Inc., USA	198,815,000	274,230,000	992,873,272	794,058,272
Infotech Enterprises GmbH, Germany	-	-	70,762,244	70,762,244
Infotech Geospatial (India) Limited, India	-	-	29,600,000	29,600,000
TTM (India) Private Limited, India **	-	(40,742,353)	-	-
TTM Institute of Information Technology Private Limited, India	-	-	100,000	100,000
Infotech Enterprises Japan KK, Japan	-	-	4,787,622	4,787,622
Infotech Enterprises Information Technology Services Private Limited, India	-	-	99,900	99,900
** Amalgamated with IEL w.e.f. April 1, 2009				
Corporate Guarantee given to subsidiary's bankers (Overseas)				
Infotech Enterprises Europe Limited, UK	-	-	101,184,000	108,848,600
Infotech Enterprises America Inc., USA	-	-	-	157,990,000
Corporate Guarantee given to subsidiary's bankers (Domestic)				
Infotech Geospatial (India) Limited, India	-	70,000,000	40,000,000	110,000,000
Advance given to subsidiary				
TTM Institute of Information Technology Private Limited, India	4,080,918	773,433	12,174,752	8,093,834
Maximum outstanding ₹ 12,174,752 (31.03.2010: ₹ 8,936,496)				
Infotech Enterprises Japan KK, Japan	19,225,270	31,584,514	50,809,784	31,584,514
Maximum outstanding ₹ 50,809,784 (31.03.2010: ₹ 31,584,514)				
Infotech Enterprises Europe Limited, UK	-	1,548,536	-	1,548,536
Maximum outstanding ₹ Nil (31.03.2010: ₹ 1,548,536)				
Infotech Enterprises Information Technology Services Private Limited, India	25,451,553	-	25,451,553	-
Maximum outstanding ₹ 25,451,553 (31.03.2010: ₹ Nil)				
Loan Recovered / Outstanding Loan given to subsidiary				
Infotech Geospatial (India) Limited, India	-	12,000,000	-	-
Interest from subsidiary / Receivable				
Infotech Geospatial (India) Limited, India	-	642,751	-	-
Transactions with Associate Company:				
Investments	-	-	11,172,000	11,172,000
Dividend from associate / Receivable	11,034,800	11,943,750	-	-

Standalone Financial Statements



Notes to the abridged financial statements (Contd.)

Transactions with Joint Venture:				
Investments	-	-	20,000,000	20,000,000
Rent Received/Receivable	2,590,875	3,969,000	49,604	1,422,621
Transactions with key managerial personnel:				
Remuneration to Managing Director/Payable*#	23,361,674	26,793,380	19,551,674	22,985,331
Remuneration to Whole Time Director/Payable#	2,286,000	2,286,000	-	-
Remuneration to other KMP's	21,593,530	22,485,165	-	-
Rent/Payable to Whole Time Director	-	412,800	-	42,518
Rent Deposit given/(Recovered) to/from Whole Time Director	(2,476,800)	2,476,800	-	2,476,800
Loan given to KMP	-	1,000,000	-	-
Loan Recovered/Recoverable from KMP	107,564	782,034	829,749	937,313
Transaction with Relative of Chairman & Managing Director and Whole Time Director:				
Remuneration to B. Ashok Reddy	4,720,161	3,668,297	-	-
Remuneration to Krishna Bodanapu	5,110,571	3,367,217	-	-

* Refer Note 4 for details of remuneration paid to Directors.

Does not include provision for compensated absences.

3. Earnings Per Share (EPS)

(Refer to Note No. 14 of Schedule 15 of the annual standalone financial statements)

	(Amount in ₹)	
Particulars	March 31, 2011	March 31, 2010
Profit After Tax (₹)	1,178,803,555	1,267,646,170
Basic:		
Number of shares outstanding	111,276,269	110,999,048
Weighted average shares outstanding	111,178,498	110,688,292
Earnings Per Share (₹)	10.60	11.45
Diluted:		
Effect of dilutive issue of stock options	202,310	429,988
Total shares outstanding (including dilution)	111,380,808	111,118,280
Earnings Per Share - (₹)	10.58	11.41



Notes to the abridged financial statements (Contd.)

4. Managerial Remuneration

(Refer to Note No. 15 of Schedule 15 of the annual standalone financial statements.)

- a. Managerial remuneration provided to Chairman and Managing Director, Whole-time director and Non-executive Directors:

(Amount in ₹)

Particulars	March 31, 2011	March 31, 2010
Managing Director*	23,361,674	26,793,380
Whole-time Director	2,286,000	2,286,000
Commission to Non-executive Directors:		
Mr. M.M. Murugappan	900,000	900,000
Mr. Paul Adams (Up to 14.07.2010)	450,000	900,000
Mr. G.V.Prasad	900,000	900,000
Mr. William Henry (Up to 21.04.2010)	-	900,000
Prof. J. Ramachandran	900,000	900,000
Mr. William Grabe (Up to 14.07.2010)	450,000	900,000
Mr. Sunish Sharma (Up to 14.07.2010)	-	450,000
Mr. David Carter (Up to 14.07.2010)	-	675,000
Mr.K.Ramchandran	900,000	450,000
Mr.Jaithirtha Rao	900,000	450,000
Mr Ranjan Chak	-	450,000
Mr Alain De Taeve (from 21.04.2010)	900,000	-
Mr Allan Brockett (from 14.07.2010)	450,000	-
Mr Abhay Havaladar (from 14.07.2010)	450,000	-

*Managerial Remuneration does not include provision for compensated absences and gratuity payable as the same are actuarially determined for the Company as a whole and separate numbers for them are not available.

- b. Computation of net profit in accordance with Section 349 of the Companies Act, 1956 and commission payable to Chairman and Managing Director, Executive Director and Non-executive Directors:

(Amount in ₹)

Particulars	March 31, 2011	March 31, 2010
Net Profit before taxation as per Profit and Loss Account	1,314,342,990	1,548,263,077
Add:		
Depreciation as per Profit and Loss Account	375,480,215	407,068,488
Remuneration to directors	32,847,674	36,954,380
Provision for doubtful debts and advances	7,431,968	3,212,501
Loss on Sale of Fixed Assets	52,884	4,774,497
Profit/(Loss) on sale of Current Investments	(480,754)	(5,520)
Wealth Tax	33,005	44,235
Less:		
Depreciation as per Section 350 of the Companies Act, 1956*	375,480,215	407,068,488
Dividend income from current investments	31,178,264	33,127,971
Loss on sale of Fixed Assets	52,884	4,774,497
Net profit in accordance with Section 349 of the Companies Act, 1956	1,332,696,619	1,555,340,702
Commission payable to the Managing Director restricted to @ 1.5% of net profit as per Section 309 restricted to	19,551,674	22,985,331
Commission payable to Non-Executive Directors	7,200,000	7,875,000

*Company follows depreciation rates higher than the Companies Act prescribed rates, depreciation under Section 350 of Companies Act will only be lower and accordingly the same has been considered for computation of managerial remuneration.



Notes to the abridged financial statements (Contd.)

5. Quantitative details

(Refer to Note No. 17 of Schedule 15 of the annual standalone financial statements)

The Company is engaged in the development of Computer Software and Services. The production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI to the Companies Act, 1956.

6. Segmental Information

(Refer to Note No.11 of Schedule 15 of the annual standalone financial statements)

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

7. Stock Option Plans

(Refer to Note No.2 of Schedule 15 of the annual standalone financial statements)

Infotech Employee Stock Offer Scheme 1999 (ESOP Plan)

In 1998-99, the Company set up ESOP plan and allotted 80,900 equity shares of ₹ 10 each at a premium of ₹ 100 per share to the Infotech ESOP trust. The trust on recommendation of management and upon receipt of full consideration transfers the equity shares in the name of the selected employees. The Company modified the ESOP Plan and adjusted the number of options and exercise price on account of bonus issue and stock split cum bonus issue during 2002-03 and 2006-07 respectively.

As this scheme is established prior to the SEBI Guidelines on the stock options, there is no cost relating to the grant of options under this scheme.

Associate Stock Option Plans (ASOP Plan)

The company currently has three ASOP plans - ASOP 2002, ASOP 2004 and ASOP 2008. Under each of these schemes, options will be issued to employees at an exercise price which shall not be less than the market price on the date of the grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of the first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of the third year.

Options Outstanding:

Plan	As at March 31, 2011	As at March 31, 2010
ASOP 2002	197,915	217,700
ASOP 2004	1,867,611	2,373,820
ASOP 2008	1,336,685	—

8. Contingent Liabilities and Commitments

(Refer to Note No. 18 of Schedule 15 of the annual standalone financial statements.)

- Estimated amount of contracts remaining to be executed on capital accounts not provided for, net of advances ₹ 140,645,654 (31.03.2010 - ₹ 45,325,045).
- The Company has outstanding counter guarantees of ₹ 78,030,894 as on March 31, 2011, to banks, in respect of guarantees given by the said banks in favour of various agencies (31.03.2010 - ₹ 70,043,183).
- Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 141,184,000 (31.03.2010 - ₹ 376,842,480)
- The Company has disputed various demands raised by Income Tax authorities for the assessment years 1997-98 to 2007-08. The orders are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 178,022,384 (31.03.2010 - ₹ 161,954,153). The Company is confident that these appeals will be decided in its favour, based on professional advice.



Notes to the abridged financial statements (Contd.)

- e. The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20,221,861 (31.03.2010 - ₹ 16,344,575). The Company is confident that these appeals will be decided in its favour, based on professional advice.
- f. The Company has disputed various demands raised by the Service Tax authorities for the financial years 2005-06 to 2009-10. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 139,763,613 (31.03.2010 - ₹ Nil). The Company is confident that these appeals will be decided in its favour, based on professional advice.
- g. The company has offered the Fixed Deposits of ₹ 13,130,423 with Oriental Bank of Commerce as lien for the overdraft facility of ₹ 10,000,000 availed by its subsidiary, Infotech Geospatial (India) Limited.

9. Regrouping/Reclassification

The figures for previous year have been regrouped / reclassified wherever necessary, to conform to the current year figures.

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

B. Sucharitha
Whole-time Director

Sundar Viswanathan
Chief Financial Officer

Sudheendhra Putty
Company Secretary

Place : Hyderabad
Date : April 20, 2011



Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

CIN	L	7	2	2	0	0	A	P	1	9	9	1	P	L	C	0	1	3	1	3	4
Registration No:			1	3	1	3	4	State Code :			0	1									
Balance Sheet Date	3	1	-	0	3	-	2	0	1	1	Date	Month	Year								

II. Capital raised during the year (Amounts in ₹ Thousands)

Public Issue					N	I	L	Right Issue					N	I	L
Sub-division					N	I	L	Private Placement					N	I	L
Bonus Issue		2	7	7	7	6	2	Stock Options			2	2	9	9	6

III. Position of Mobilisation and deployment of funds (Amount in ₹ Thousands)

Total Liabilities	9	0	7	9	5	0	1	Total Assets	9	0	7	9	5	0	1
Sources of Funds															
Paid-up Capital		5	5	6	3	8	1	Reserves & Surplus	8	5	2	3	1	2	0
Secured Loans					N	I	L	Unsecured Loans					N	I	L
Application of Funds															
Net Fixed Assets	2	7	6	3	1	4	0	Investments	1	7	9	3	3	2	5
Net Current Assets	4	5	0	8	8	0	6	Misc. Expenditure					N	I	L
Deferred Tax Assets			1	4	2	2	9								

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	6	7	9	7	1	3	5	Total Expenditure	5	4	8	2	7	9	2
Profit/Loss before Tax	1	3	1	4	3	4	3	Profit/Loss after tax	1	1	7	8	8	0	4
Earnings per share in ₹ (Basic)			1	0	.	6	0	Dividend (Pro-rata)		2	5	.	0	0	%

V. Generic Names of three principal products/Services of the Company (As per monetary terms)

Item Code No. (ITC Code) :	8	5	2	3	.	8	0	2	0							
Product Description :	S	O	F	T	W	A	R	E	S	E	R	V	I	C	E	S



Auditors' Report on the Consolidated Financial Statements

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF INFOTECH ENTERPRISES LIMITED.

1. We have audited the attached Consolidated Balance Sheet of **INFOTECH ENTERPRISES LIMITED** ("the Company"), its subsidiaries, associate and jointly controlled entity (the Company, its subsidiaries, associate and jointly controlled entity constitute "the Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
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 statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 1,271,671,785 as at March 31, 2011, total revenues of ₹ 3,542,865,362 and net cash inflows aggregating to ₹ 66,005,814 for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. The financial statements of a subsidiary and the jointly controlled entity, whose financial statements reflect total assets of ₹ 25,896,444 as at March 31, 2011, total revenues of ₹ 37,645,072 and net cash inflows of ₹ 1,904,461 for the year ended on that date have not been audited. The financial statements of an associate which reflect the group's share of net profit of ₹ 70,048,973 for the year ended March 31, 2011 have not been audited.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries, joint venture and associate, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 008072S)

GANESH BALAKRISHNAN

Partner

Secunderabad, April 20, 2011

(Membership No. 201193)



Consolidated Balance Sheet

(Amount in ₹)

	Schedule Reference	As at March 31, 2011		As at March 31, 2010	
I. SOURCES OF FUNDS :					
1. Shareholders' Funds					
(a) Capital	1	556,381,345		277,497,620	
(b) Reserves and Surplus	2	<u>9,736,737,859</u>	10,293,119,204	<u>8,785,953,300</u>	9,063,450,920
2. Loan Funds					
(a) Secured Loans	3		5,497,710		43,993,253
		<u>10,298,616,914</u>		<u>9,107,444,173</u>	
II. APPLICATION OF FUNDS :					
1. Goodwill (on consolidation)		471,056,708		462,618,994	
2. Fixed Assets	4				
(a) Gross Block		5,781,725,860		4,479,158,520	
(b) Less: Depreciation and Amortisation		<u>2,933,244,114</u>		<u>2,392,220,915</u>	
(c) Net Block		2,848,481,746		2,086,937,605	
(d) Capital Work in Progress		<u>60,739,889</u>	2,909,221,635	<u>604,842,299</u>	2,691,779,904
3. Investments	5		912,739,821		2,022,735,755
4. Deferred Tax Asset (net)	6		14,834,969		29,220,809
5. Current Assets, Loans and Advances					
(a) Sundry Debtors	7	2,677,807,008		2,064,556,081	
(b) Cash and Bank Balances	8	3,502,410,100		2,337,227,884	
(c) Loans and Advances	9	1,848,710,643		1,337,461,056	
(d) Unbilled Revenue		<u>343,995,100</u>		<u>324,500,917</u>	
		<u>8,372,922,851</u>		<u>6,063,745,938</u>	
Less:Current Liabilities and Provisions					
(a) Liabilities	10	1,041,836,907		1,157,247,178	
(b) Provisions	11	<u>1,340,322,163</u>		<u>1,005,410,049</u>	
		<u>2,382,159,070</u>		<u>2,162,657,227</u>	
Net Current Assets			5,990,763,781		3,901,088,711
		<u>10,298,616,914</u>		<u>9,107,444,173</u>	
Notes to Accounts	16				

The Schedules referred to above and Statement on Significant Accounting Policies form an integral part of the Consolidated Balance Sheet.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 20, 2011

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Sundar Viswanathan
Chief Financial Officer

Place : Hyderabad
Date : April 20, 2011

B. Sucharitha
Whole-time Director

Sudheendhra Putty
Company Secretary



Consolidated Profit and Loss Account

(Amount in ₹)

	Schedule Reference	For the year ended March 31, 2011	For the year ended March 31, 2010
Income			
Sale of Services		11,767,450,185	9,428,244,367
Product Sales		112,691,390	102,961,156
Other Income	12	295,459,553	463,705,164
TOTAL INCOME		12,175,601,128	9,994,910,687
Expenditure			
Personnel Expenses	13	7,465,694,570	5,427,211,351
Operating and Administration Expenses	14	2,610,889,858	2,020,902,446
Depreciation and Amortisation		485,911,577	435,686,770
Financial Expenses	15	15,434,193	31,235,477
TOTAL EXPENDITURE		10,577,930,198	7,915,036,044
Profit Before Taxation, Share of Profit in Associate Company and Minority Interest		1,597,670,930	2,079,874,643
Provision for Taxation			
- Current		387,917,193	414,259,524
- Earlier years		336,600	45,302,920
- MAT Credit		(124,764,138)	(109,902,459)
- Fringe Benefit		-	(78,620)
- Deferred		6,313,670	155,487,419
Profit After Taxation, before Share of Profit in Associate Company and Minority Interest		1,327,867,605	1,574,805,859
Share of Profit in Associate Company		70,048,973	129,174,431
Share of Minority Interest		(1,026,156)	4,778,249
Profit After Taxation, after Share of Profit in Associate Company and Minority Interest		1,396,890,422	1,708,758,539
Add: Balance brought forward from previous year		1,379,172,959	793,779,083
Add: TTM (India) Private Limited Amalgamation Adjustment (Refer Note 16 of Schedule 16)		-	6,526,147
Amount Available for Appropriation		2,776,063,381	2,509,063,769
Appropriations :			
Transfer to General Reserve		830,667,740	1,000,000,000
Proposed Dividend @ 25 % (2009-10: 40 %)		139,095,336	110,999,048
Tax on distributed profits		23,101,997	18,864,288
Residual Dividend and Dividend Tax paid thereon		(428,734)	27,474
Balance carried to Balance Sheet		1,783,627,042	1,379,172,959
Earnings Per Share (Equity Shares, Face Value of ₹ 5 Each)			
- Basic		12.56	15.44
- Diluted		12.54	15.38
Number of Shares used in computing Earnings Per Share			
- Basic		111,178,498	110,688,292
- Diluted		111,380,808	111,118,280
Notes to Accounts	16		

The Schedules referred to above and Statement on Significant Accounting Policies form an integral part of the Consolidated Profit and Loss Account.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 20, 2011

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Sundar Viswanathan
Chief Financial Officer

Place : Hyderabad
Date : April 20, 2011

B. Sucharitha
Whole-time Director

Sudheendhra Putty
Company Secretary



Schedule annexed to and forming part of the Consolidated Balance Sheet

(Amount in ₹)

	As at March 31, 2011	As at March 31, 2010
1. CAPITAL		
Authorised : 270,000,000 Equity Shares of ₹ 5 each (31.03.2010 : 73,872,000 Equity Shares of ₹ 5 each)	1,350,000,000	369,360,000
Compulsorily Convertible Preference Shares of ₹ 360 each (31.03.2010: 2,724,000 Compulsorily Convertible Preference Shares of ₹ 360 each)	—	980,640,000
	1,350,000,000	1,350,000,000
Issued and Subscribed : 111,276,269 Equity Shares of ₹ 5 each fully paid-up (31.03.2010: 55,499,524 Equity Shares of ₹ 5 each fully paid-up)	556,381,345	277,497,620
	556,381,345	277,497,620

Out of the above:

(156,000 Equity Shares were allotted for a consideration other than cash pursuant to the Scheme of Amalgamation with M/s. Cartographic Sciences Limited.)

(811,710 Equity Shares were allotted for a consideration other than cash pursuant to the acquisition of 100% equity in M/s. Infotech Enterprises Europe Limited (formerly known as M/s. Dataview Solutions Limited.)

(90,473,505 (31.03.2010: 34,921,157) Equity Shares were allotted by way of Bonus shares by capitalising General Reserve/Securities Premium account.)

(3,421,359 (31.03.2010: 3,196,962) Equity Shares were allotted to employees of the Company pursuant to the Associate Stock Option Plans.)

(Refer Note 3 of Schedule 16)



Schedules annexed to and forming part of the Consolidated Balance Sheet

(Amount in ₹)

	As at March 31, 2011	As at March 31, 2010
2. RESERVES AND SURPLUS		
Securities Premium Account		
As at the commencement of the year	3,627,967,698	3,601,355,038
Add: Received on account of further issue of Equity Shares	<u>22,996,101</u> 3,650,963,799	<u>26,612,660</u> 3,627,967,698
General Reserve		
As at the commencement of the year	3,689,630,749	2,758,183,006
Less: Adjustments	(76,553,219)	(68,552,257)
Less: Utilised for Bonus Shares	(277,761,740)	—
Add: Transferred from Profit and Loss Account	<u>830,667,740</u> 4,165,983,530	<u>1,000,000,000</u> 3,689,630,749
Contingency Reserve	161,000,000	161,000,000
Balance in Profit and Loss Account	1,783,627,042	1,379,172,959
Currency Translation Reserve	(27,450,779)	(74,432,373)
Capital Reserve	2,614,267	2,614,267
	9,736,737,859	8,785,953,300
3. SECURED LOANS		
Working Capital Loans from Banks	5,497,710	4,941,860
Other Loans*	—	39,051,393
(*secured by accounts receivable and fixed assets)		
	5,497,710	43,993,253



Schedule annexed to and forming part of the Consolidated Balance Sheet

4 . FIXED ASSETS												
DESCRIPTION	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at April 1, 2010	Acquisition of Subsidiary@	Additions during the year	Deletions/ Adjustments during the year	Cost as at March 31, 2011	As at April 1, 2010	Acquisition of Subsidiary@	For the year	Deletions/ Adjustments during the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
TANGIBLE ASSETS												
1. Land												
– Freehold*	15,571,954	–	–	–	15,571,954	–	–	–	–	–	15,571,954	15,571,954
– Leasehold**	111,519,220	–	37,699,799	–	149,219,019	11,291,870	–	6,981,515	–	18,273,385	130,945,634	100,227,350
2. Building ***	1,087,556,753	–	535,001,008	–	1,622,557,761	114,631,599	–	44,164,706	–	158,796,305	1,463,761,456	972,925,154
3. Leasehold Improvements	11,991,493	42,653,523	10,353,177	1,766,572	63,231,621	3,526,245	18,765,030	6,265,958	538,308	28,018,925	35,212,696	8,465,248
4. Computers and Software	2,185,629,514	113,333,279	331,052,822	(1,594,523)	2,631,610,138	1,858,191,055	110,541,169	254,682,119	14,113,658	2,209,300,685	422,309,453	327,438,459
5. Plant and Machinery	462,945,180	–	90,919,172	1,939,600	551,924,752	172,157,263	–	43,713,140	1,636,510	214,233,893	337,690,859	290,787,917
6. Office Equipment	94,895,705	–	21,450,354	58,544	116,287,515	39,691,193	–	10,808,395	395,517	50,104,071	66,183,444	55,204,512
7. Furniture and Fixtures (Including Interior Work)	260,410,993	–	34,398,907	(2,962,506)	297,772,406	120,980,806	–	28,972,735	(5,612,514)	155,566,055	142,206,351	139,430,187
8. Electrical Installations	238,316,978	–	38,090,717	–	276,407,695	65,174,677	–	23,672,907	–	88,847,584	187,560,111	173,142,301
9. Vehicles	9,494,380	–	3,668,509	1,846,240	11,316,649	5,749,857	–	1,674,513	1,846,139	5,578,231	5,738,418	3,744,523
INTANGIBLE ASSETS												
10. Other Intangible Assets	826,350	–	–	–	826,350	826,350	–	–	–	826,350	–	–
11. Customer Relationships#	–	–	45,000,000	–	45,000,000	–	–	3,698,630	–	3,698,630	41,301,370	–
Previous year	4,479,158,520	155,986,802	1,147,634,465	1,053,927	5,781,725,860	2,392,220,915	129,306,199	424,634,618	12,917,618	2,933,244,114	2,848,481,746	2,086,937,605
	4,106,490,888	120,408,125	330,593,711	78,334,204	4,479,158,520	1,954,429,534	78,409,196	427,968,601	68,586,416	2,392,220,915	2,086,937,605	
12. Capital Work-in-Progress****											607,39,889	604,842,299

* Includes ₹ 3,947,700 (31.03.2010: ₹ 15,571,954) in respect of which land allocation letters have been received, pending execution of conveyance deed.

** Includes ₹ 26,266,500 (31.03.2010: ₹ 26,266,500) in respect of which land allocation letter has been received, pending the lease deed execution.

*** Includes ₹ 557,286,791 (31.03.2010: ₹ 360,728,470) Building constructed on leasehold land.

**** Capital work-in-progress includes capital advances of ₹ 3,154,624 (31.03.2010: ₹ 28,375,800)

@ Refer Note 10 & 11 of Schedule 16

Refer Note 18 of Schedule 16



Schedules annexed to and forming part of the Consolidated Balance Sheet

(Amount in ₹)

	As at March 31, 2011	As at March 31, 2010
5. INVESTMENTS		
I) Long Term		
Trade - Unquoted - At Cost		
Investment in Associate Company		
Infotech Aerospace Services Inc., USA	493,337,963	376,107,282
490 Shares of \$ 0.01 par value fully paid-up		
Add : Share of Profit	70,048,973	129,174,431
Less: Dividend received	(11,034,800)	(11,943,750)
	552,352,136	493,337,963
Others		
TeleAtlas Kalyani India Private Limited (formerly Kalyani Net Ventures Limited) 781,582 Shares of ₹ 10 each fully paid-up	26,065,000	26,065,000
Canesta, Inc (a California Corporation) 10,000 Shares of \$ 0.19275 par value fully paid-up	98,206	98,206
II) Current - At the lower of cost and fair value		
Non-trade - Unquoted		
Investment in Mutual Funds (Refer Note 8 of Schedule 16)	334,117,469	1,503,127,576
Non Trade - Quoted		
Trafficmaster Plc, United Kingdom 35,088 Ordinary Shares of GBP 1 each fully paid-up Less: Provision for Diminution in Value of Investment	6,659,000 (6,551,990)	6,659,000 (6,551,990)
	107,010	107,010
	912,739,821	2,022,735,755
6. DEFERRED TAX ASSET (Net)		
Fixed Assets	(104,245,911)	(74,652,502)
Employee Benefits	114,204,755	91,565,289
Provision for derivative losses	(16,515,430)	(9,013,262)
Others	21,391,555	21,321,284
	14,834,969	29,220,809
7. SUNDRY DEBTORS (Unsecured)		
Considered good		
(a) Over six months old	36,592,735	48,899,038
(b) Other debts	2,641,214,273	2,015,657,043
	2,677,807,008	2,064,556,081
Considered doubtful - Over six months old	47,063,598	63,104,527
	2,724,870,606	2,127,660,608
Less: Provision for doubtful debts	47,063,598	63,104,527
	2,677,807,008	2,064,556,081



Schedules annexed to and forming part of the Consolidated Balance Sheet

(Amount in ₹)

	As at March 31, 2011	As at March 31, 2010
8. CASH AND BANK BALANCES		
Cash on hand	679,620	758,207
Cheques on hand	—	396,627
Balances with Scheduled Banks		
- On Current Accounts	628,563,873	421,664,401
- On Deposit Accounts	2,209,269,726	1,384,445,597
	2,837,833,599	1,806,109,998
Unclaimed Dividend Accounts	1,757,635	1,652,248
Balances with Non-Scheduled Banks		
- On Current accounts	598,541,542	431,249,398
- On Deposit accounts	63,597,704	97,061,406
	662,139,246	528,310,804
	3,502,410,100	2,337,227,884
9. LOANS AND ADVANCES (Unsecured)		
(a) Considered good		
- Interest accrued on Deposits	67,659,034	17,498,719
- Advances recoverable in cash or in kind or for value to be received	519,665,544	412,015,365
- Loan to Others	10,336,436	72,848,764
- Advance Tax [net of provision of ₹ 261,660,277 (31.03.2010: ₹ 261,660,277)]	972,210,468	671,617,890
- MAT Credit entitlement	234,666,597	109,902,459
- Deposits*	44,172,564	53,577,859
	1,848,710,643	1,337,461,056
(b) Considered doubtful		
Deposits	16,200,000	16,200,000
Advances	709,545	709,545
	16,909,545	16,909,545
Less : Provision for doubtful Loans and Advances	(16,909,545)	(16,909,545)
	1,848,710,643	1,337,461,056
* Includes deposits with Government Authorities ₹ 30,786,390 (31.03.2010: ₹ 28,559,506)		
10. LIABILITIES		
Sundry Creditors		
- Dues to Micro and Small enterprises	—	—
- Dues to other	721,700,125	803,627,525
Advances from Customers	97,533,246	93,203,779
Unclaimed Dividends	1,757,635	1,652,248
(There are no dues payable to Investor Education and Protection Fund)		
Other Liabilities	220,845,901	258,763,626
	1,041,836,907	1,157,247,178
11. PROVISIONS		
Warranty cost	2,804,079	1,581,255
Income Taxes	750,178,338	497,023,233
[net of advance tax of ₹ 55,092,420 (31.03.2010 : ₹ 55,092,420)]		
Proposed Dividend including tax thereon	162,197,333	129,863,336
Employee Benefits	425,142,413	376,942,225
	1,340,322,163	1,005,410,049



Schedules annexed to and forming part of the Consolidated Profit and Loss Account

(Amount in ₹)

	For the year ended March 31, 2011	For the year ended March 31, 2010
12. OTHER INCOME		
Interest on Loans and Deposits	135,521,418	117,452,366
Dividend Income from Current Investments	31,178,264	33,127,971
Profit on Sale of Current Investments	480,754	5,520
Provision no longer required written back	4,815,581	40,932,569
Gain on Exchange Fluctuations (net)	89,277,447	241,504,181
Miscellaneous Income	34,186,089	30,682,557
	295,459,553	463,705,164
13. PERSONNEL EXPENSES		
Salaries and Bonus	6,852,513,656	4,840,368,707
Contribution to Provident and Other Funds	471,685,752	385,445,360
Staff Welfare Expenses	141,495,162	201,397,284
	7,465,694,570	5,427,211,351
14. OPERATING AND ADMINISTRATION EXPENSES		
Rent	105,347,493	90,597,135
Rates and Taxes	7,849,876	13,884,397
Insurance	28,931,975	19,551,069
Travelling and Conveyance	760,892,339	551,024,855
Communication	111,979,316	93,168,139
Printing and Stationery	24,196,365	20,466,347
Power and Fuel	114,268,362	87,606,319
Marketing Expenses	66,211,590	34,297,522
Advertisement	3,967,288	2,492,103
Repairs and Maintenance		
- Buildings	10,033,729	5,812,032
- Machinery	320,141,024	214,333,325
- Others	45,491,965	34,906,229
Professional Charges	315,230,681	308,548,153
Bad Debts/Advances Written Off	5,306,191	15,894,814
Provision for Doubtful Debts	12,770,308	8,974,481
Loss on sale of Fixed Assets	56,828	7,570,464
Auditors' Remuneration	15,641,786	14,111,514
Recruitment Expenses	30,158,405	27,310,114
Training and Development	27,604,951	17,667,848
Purchase of Computer Software	430,807,975	322,401,083
Managerial Remuneration		
- Salaries	42,611,296	47,052,912
- Contribution to Provident Fund and Other Funds	1,296,000	1,294,049
- Commission	26,751,674	30,860,331
- Sitting Fee	290,000	250,000
Miscellaneous Expenses	103,052,441	50,827,211
	2,610,889,858	2,020,902,446
15. FINANCIAL EXPENSES		
Interest on Rupee Term Loans	—	653,467
Interest on Packing Credit	—	898,881
Interest on Working Capital Loans	8,176,127	389,165
Bank and Other Finance Charges	7,258,066	29,293,964
	15,434,193	31,235,477



Schedule 16 - Notes to Consolidated Accounts

1. Description of Business

Infotech Enterprises Limited ('Infotech' or 'the Company') is engaged in providing global technology services and solutions specialising in geospatial, engineering design and IT solutions. The Company has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in United States of America (USA), United Kingdom (UK), Germany, Japan and India. Infotech Group's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting and implementation. Infotech Group specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

2. a) List of Subsidiaries, Associate and Joint Venture considered for Consolidation

Sl. No.	Name of the Company	Country of Incorporation	Extent of holding (%) as on March 31, 2011	Extent of holding (%) as on March 31, 2010
	<u>Subsidiaries</u>			
1	Infotech Enterprises Europe Limited	U.K	100%	100%
2	Mapcentric Consulting Limited *	U.K	100%	100%
3	Infotech Enterprises Benelux, B.V. *	Netherlands	100%	100%
4	Infotech Enterprises America, Inc.	U.S.A	100%	100%
5	Infotech Software Solutions Canada Inc. #	Canada	100%	100%
6	Infotech Enterprises GmbH	Germany	100%	100%
7	Infotech Enterprises AB @1	Sweden	100%	—
8	Infotech Geospatial (India) Limited	India	74%	74%
9	Infotech Enterprises Electronic Design Services Inc. #	U.S.A	100%	100%
10	TTM Institute of Information Technology Private Limited	India	100%	100%
11	Infotech Enterprises Japan KK	Japan	100%	100%
12	Infotech Enterprises Information Technology Services Private Limited	India	100%	100%
13	Daxcon Engineering Services Inc. @2	U.S.A	—	100%
14	Wellsco Inc. #@3	U.S.A	100%	—
	<u>Associate</u>			
1	Infotech Aerospace Services Inc. ^	U.S.A	49%	49%
	<u>Joint Venture</u>			
1	Infotech HAL Limited ^^	India	50%	50%

* Wholly owned by Infotech through its wholly owned subsidiary Infotech Enterprises Europe Limited.

Wholly owned by Infotech through its wholly owned subsidiary Infotech Enterprises America Inc.

@1 During the year, Infotech Enterprises GmbH has incorporated a 100% subsidiary in Sweden, named as Infotech Enterprises AB, effective October 1, 2010.

@2 During the year, Daxcon Engineering Services Inc, merged with Infotech Enterprises America Inc effective January 1, 2011.

@3 During the year, Infotech Enterprises America Inc. acquired 184,627 equity shares in Wellsco Inc., resulting in 100% ownership of Wellsco Inc., and was consolidated w.e.f. August 9, 2010.

^ The Company's associate Infotech Aerospace Services Inc follows calendar year as its reporting period and these financial statements include audited figures of the associate for the year ended December 31, 2010 adjusted for the unaudited results from operations for the three months ended March 31, 2010 and the three months ended March 31, 2011.

^^ The 50% in the Joint Venture i.e., Infotech HAL Limited has been accounted for using proportionate consolidation in accordance with the Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Infotech's share in the assets, liabilities, incomes and expenses of the joint venture as adjusted for elimination from transactions with various companies in the group is included in the respective schedules in these consolidated financial statements.



3. Associate Stock Option Plans

Scheme established prior to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, (SEBI guidelines on Stock Options)

Infotech Employee Stock Offer Scheme 1999 (ESOP Plan)

In 1998-99, the Company set up Infotech Employee Stock Offer Scheme (ESOP Plan) and allotted 80,900 equity shares of ₹ 10 each at a premium of ₹ 100 per share to the "Infotech ESOP Trust" ("Trust"). The Trust, on the recommendation of the management and upon the receipt of full payment upfront, transfers the equity shares in the name of selected employees. The Company modified the ESOP Plan and adjusted the number of options and exercise price on account of bonus issue and stock split cum bonus issue during 2002-03 and 2006-07 respectively. These equity shares are under lock-in period (i.e., the date of transfer of the shares from the Trust to the employee) and it differs from offer to offer. When the employee leaves the Company before the expiry of the lock-in-period the options allocated to such employee stands transferred to the Trust at a predetermined price. Hence, the lock-in-period has been considered as vesting period. However, the Trust and the Company have a discretionary power to waive the restriction on selling such stock to the Trust.

As this scheme is established prior to the SEBI Guidelines on the stock options, there is no cost relating to the grant of options under this scheme.

Scheme established after SEBI Guidelines on Stock Options

Securities Exchange Board of India (SEBI) issued the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999, which is applicable for all Stock Option Schemes established after June 19, 1999.

Bonus Issue

The members of Infotech during the year approved the Bonus Issue at the rate of one equity share of ₹ 5 each for every one equity share of ₹ 5 each held on the record date for the financial year 2010-11. The effect of bonus issue has been applied to all the outstanding options as at the date of member's approval.

Associate Stock Option Plan - 2002 (ASOP 2002)

The Company instituted ASOP 2002 in October 2002 and earmarked 575,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2002 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2002, options will be issued to employees at

an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% at the end of two years, 25% at the end of two and half years and 30% at the end of third year.

As the options were granted to the employees at the market price on the date of grant, there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:	March 31, 2011	March 31, 2010
Options outstanding at the beginning of the year	217,700	229,650
Granted	—	—
Forfeited	(5,200)	(11,950)
Exercised	(14,585)	—
Options outstanding at the end of year	197,915	217,700

There are no outstanding options pertaining to associates of subsidiary companies.

Associate Stock Option Plan - 2004 (ASOP 2004)

The Company instituted ASOP 2004 in October 2004 and earmarked 1,150,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2004 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2004, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% at the end of two years, 25% at the end of two and half years and 30% at the end of third year.

As the options were granted to the employees at the market price on the date of grant, there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:	March 31, 2011	March 31, 2010
Options outstanding at the beginning of the year	2,373,820	3,171,286
Granted	—	66,000
Forfeited	(243,573)	(324,010)
Exercised	(262,636)	(539,456)
Options outstanding at the end of year	1,867,611	2,373,820



Out of the total outstanding options, 225,760 options pertain to options granted to the associates of subsidiary companies.

Associate Stock Option Plan - 2008 (ASOP 2008)

The Company instituted ASOP 2008 in July 2008 and earmarked 1,000,000 equity shares of ₹ 5 each for issue to the employees under ASOP. Under ASOP 2008, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% at the end of two years, 25% at the end of two and half years and 30% at the end of third year.

As the options were granted to the employees at the market price on the date of grant, there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:	March 31, 2011	March 31, 2010
Options outstanding at the beginning of the year	—	—
Granted	1,343,735	—
Forfeited	(7050)	—
Exercised	—	—
Options outstanding at the end of year	1,336,685	—

Out of the total outstanding options, 50,000 options pertain to options granted to associates of subsidiary companies.

Proforma EPS

In accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for Stock Option plans been recognized based on the fair value at the date of grant in accordance with Black Scholes model (previous year Binomial Lattice Model), the pro-forma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	March 31, 2011	March 31, 2010
A. Profit After Tax		
- As reported	1,396,890,422	1,708,758,539
- Proforma	1,303,576,379	1,650,779,274
B. Earnings Per Share Basic		
- Number of shares	111,178,498	110,688,292
- EPS as reported (₹)	12.56	15.44
- Proforma EPS (₹)	11.73	14.91
Diluted		
- Number of shares	111,380,808	111,118,280
- EPS as reported (₹)	12.54	15.38
- Proforma EPS (₹)	11.70	14.86

The following assumptions were used for calculation of fair value of grants:

Particulars	March 31, 2011	March 31, 2010
	Black-Scholes Model	Binomial Lattice Model
Dividend yield (%)	0.62	0.42
Expected volatility (%)	56.16 - 61.55	49.05
Risk-free interest (%)	6.73 - 7.85	1.69
Expected term (in years)	3 - 4	3.50

- Infotech has entered into certain foreign currency option contracts that matured during the year in respect of which a provision towards unrealised loss of ₹ NIL (2009-10 - ₹ 63,964,134) on a mark to market basis has been recorded in the accounts. These losses are not realised losses and have a potential to reverse or increase over the maturity period.

Infotech has also entered into certain foreign currency forward contracts that mature over the next 12 months, in respect of which, a provision towards unrealised gain of ₹ 12,028,344 (2009-10 - ₹ 90,481,526) has been recorded in the accounts. These gains are not realised gains and have a potential to reverse or decrease over the maturity period.

The foreign exchange forward and option contracts held by the Company to hedge its risk to foreign currency exposures as at March 31, 2011 included:

- Foreign currency forward contracts of USD 16,800,000 (31.03.2010 - USD 8,000,000).
- Foreign currency forward contracts of GBP 5,040,000 (31.03.2010 - GBP 5,040,000).
- Foreign currency forward contracts of EURO 12,600,000 (31.03.2010 - EURO 9,450,000)
- Foreign currency option contracts to sell a maximum of USD Nil (31.03.2010 - USD 13,000,000)



5. Segmental Information

Management evaluates Infotech Group's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The Infotech Group classifies its operations into two vertically oriented business segments: Network & Content Engineering (N&CE) and Engineering, Manufacturing, Industrial Products (EMI). Both businesses cater to the specific requirements of customers in their respective user segments.

Geographic segments of the Infotech Group are India, North America, Europe and Rest of the world.

The Infotech Group has identified business segments as its primary segment and geographic segments as its secondary segment.

The Company renamed its Utilities, Telecom & Government (UTG) vertical as Network & Content Engineering (N&CE). There has been no reclassification on account of change in name.

I. Network & Content Engineering (N&CE)

N&CE vertical services customers in industries such as power, gas, telecom, transportation and local government. The Infotech Group service offerings to the N&CE vertical include data conversion, data maintenance, photogrammetry and IT services.

II. Engineering, Manufacturing, Industrial Products (EMI)

EMI vertical services customers in industries such as aerospace, automotive, off-highway transportation and industrial and commercial products, engineering design, embedded software, IT Solutions, manufacturing support, technical publications and other strategic customers.

Revenue in relation to these verticals is categorised based on items that are individually identifiable to that vertical.

Fixed assets used in the Infotech Group are not identified to any of the reportable segments and management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

(Amount in ₹)

For the year ended March 31, 2011	N&CE	EMI	Total (Segment)	Total (Group)
External Revenue	3,677,504,437	8,210,523,403	11,888,027,840	
Less Inter- Segment revenues	602,466	7,283,799	7,886,265	
Total Revenue	3,676,901,971	8,203,239,604	11,880,141,575	11,880,141,575
Segment Results	774,787,495	1,758,432,098	2,533,219,593	2,533,219,593
Un-allocable expenses				(1,231,008,216)
Other Income				295,459,553
Profit before tax				1,597,670,930
Income Tax (including deferred tax)				(269,803,325)
Profit after tax before share of profit in Associate Company and Minority Interest				1,327,867,605
Share of profit in Associate Company				70,048,973
Share of Minority Interest				(1,026,156)
Profit after Taxation, after share of profit in Associate Company and Minority Interest				1,396,890,422



(Amount in ₹)

For the year ended March 31, 2010	N&CE	EMI	Total (Segment)	Total (Group)
External Revenue	3,349,766,224	6,204,495,723	9,554,261,947	
Less Inter- Segment revenues	—	23,056,424	23,056,424	
Total Revenue	3,349,766,224	6,181,439,299	9,531,205,523	9,531,205,523
Segment Results	1,117,131,810	1,371,072,964	2,488,204,774	2,488,204,774
Un-allocable expenses				(872,035,295)
Other Income				463,705,164
Profit before tax				2,079,874,643
Income Tax (including deferred tax)				(505,068,784)
Profit after tax before share of profit in Associate Company and Minority Interest				1,574,805,859
Share of profit in Associate Company				129,174,431
Share of Minority Interest				4,778,249
Profit after Taxation, after share of profit in Associate Company and Minority Interest				1,708,758,539

The segment disclosures for the previous year have been reclassified to conform to the current year's presentation.

Geographic Segments

Segment Revenue

(Amount in ₹)

Geographic Location	March 31, 2011	March 31, 2010
India	3,168,107,391	2,066,897,044
North America	4,778,938,091	3,507,713,043
Europe	3,438,714,422	3,467,715,106
Rest of World	494,381,670	488,880,330
Total	11,880,141,575	9,531,205,523

Segment Assets

(Amount in ₹)

Geographic Location	March 31, 2011	March 31, 2010
India	7,078,206,285	5,462,384,140
North America	1,461,524,039	1,047,560,611
Europe	1,190,518,953	1,216,203,718
Rest of World	345,018,143	247,857,024
Total	10,075,267,420	7,974,005,493

Segment Capital Expenditure

(Amount in ₹)

Geographic Location	March 31, 2011	March 31, 2010
India	1,086,307,097	314,247,886
North America	205,517,593	5,245,569
Europe	11,461,535	10,852,048
Rest of World	335,042	248,208
Total	1,303,621,267	330,593,711



6. Related Party Transactions

Infotech Group has transactions with the following related parties:

a) Associate

Name of the Associate
Infotech Aerospace Services Inc., Puerto Rico, USA

b) Joint Venture

Name of the Joint Venture Company
Infotech HAL Limited, India

c) Directors:

Name of Director	Designation
B.V.R. Mohan Reddy	Chairman and Managing Director
B. Sucharitha	Whole Time Director

d) Relative of Chairman & Managing Director and Whole Time Director

Name of Relative	Designation
Krishna Bodanapu	President - Engineering
B. Ashok Reddy	President - Global Human Resources & Corporate Affairs

e) Key Management Personnel

Name of Key Management Personnel	Designation
S.A. Lakshminarayanan	Chief Operating Officer - N&CE
K. Ashok Kumar	Chief Technology Officer
Sundar Viswanathan	Chief Financial Officer (w.e.f April 5, 2010)
Bhanu Cherukuri	Chief Strategy Officer
A. Ramaswami	Chief Information Officer (w.e.f October 21, 2010)
Chandrasekhar Nori	Managing Director - IGIL
Rajeev Lal	Chief Operating Officer - IEITS
John Patrick Renard	Managing Director - IEEL - UK
Martin Trostel	Managing Director - Infotech Enterprises GmbH
Greg Tilley	Director on the Board of IEAI, USA, ISSCI, Daxcon and IEEDS
Venkata Simhadri	Director on the Board of Infotech Enterprises Electronic Design services Inc.
Nobuyuki Kawai	Director on the Board of Infotech Enterprises Japan KK
Albert Juraco	President - Daxcon Engineering Services Inc.
James B. Wells	President - Wellsco Inc.



7. The transactions with the related parties are summarised below:

(Amount in ₹)

Nature of Transactions	Transactions for the year ended		Closing Balance as on	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Transactions with Associate:				
Investment in Infotech Aerospace Services Inc., Puerto Rico.	—	—	552,352,136	493,337,963
Shares of profits from IASI	70,048,973	129,174,431	—	—
Dividend received from IASI	11,034,800	11,943,750	—	—
Transactions with Joint Venture:				
Investments in Infotech HAL Limited, India	—	—	20,000,000	20,000,000
Rent Received / Receivable	2,590,875	3,969,000	49,604	1,422,621
Transactions with Key Management Personnel				
Remuneration to Managing Director/Payable*	23,361,674	26,793,380	19,551,674	22,985,331
Remuneration to Whole Time Director/Payable*	2,286,000	2,428,366	—	—
Remuneration to other KMP's	108,828,892	102,071,020	—	—
Rent/Payable to Whole Time Director	5,463,821	412,800	—	42,518
Rent Deposit given/(Recovered) to/from Whole Time Director	(2,476,800)	2,476,800	—	2,476,800
Loan given to KMP	—	1,000,000	—	—
Loan Recovered/Recoverable from KMP	107,564	782,034	829,749	937,313
Transactions with Relatives of Managing/Whole Time Director:				
Remuneration to B. Ashok Reddy	4,720,161	3,668,297	—	—
Remuneration to Krishna Bodanapu	5,110,571	3,367,217	—	—

* Does not include provision for compensated absences

Consolidated Financial Statements



Name of Mutual Fund	Balance as on April 1, 2010		Purchased during the year		Sold during the year		Balance as on March 31, 2011	
	No. of Units	Amount in ₹	No. of Units	Amount in ₹	No. of Units	Amount in ₹	No. of Units	Amount in ₹
Axis Liquid Fund - Institutional Daily Dividend Reinvestment	-	-	20,012	20,013,667	20,012	20,013,667	-	-
Birla Sun Life Cash Manager - Institutional Plan - Daily Dividend- Reinvestment	-	-	3,498,950	35,000,000	-	-	3,498,950	35,000,000
Birla Sun Life Cash Plus-Institutional Prem -Daily Dividend -Reinvestment	-	-	5,096,606	51,065,448	5,096,606	51,065,448	-	-
Birla Sun Life Short Term Fund-Retail-Daily Dividend -Reinvestment	10,479,789	104,855,531	10,047,682	100,532,082	20,527,471	205,387,613	-	-
Birla Sun Life Ultra Short Term Fund-Institutional Daily Dividend	-	-	4,456,418	44,588,693	-	-	4,456,418	44,588,693
BSL Floating Rate Fund- Long Term-Institutional-Weekly Dividend	-	-	9,572,416	95,759,385	9,572,416	95,766,255	-	-
G50 IDFC Money Manager Fund- Investment Plan - Institutional Plan B - Daily Dividend	6,068,065	60,771,676	14,462,148	144,855,205	20,530,214	205,852,560	-	-
G70 IDFC Savings Advantage Fund- Plan A- Daily Dividend	-	-	51,615	51,625,816	51,615	51,625,816	-	-
GCCD IDFC Cash Fund-Super Institutional Plan C - Daily Dividend	-	-	11,089,303	110,920,758	11,089,303	110,920,758	-	-
GFBID IDFC Money Manager Fund- Treasury Plan -Institutional Plan B-Daily Dividend	3,066,764	30,883,232	21,180	213,292	3,087,944	31,096,524	-	-
HDFC Floating Rate Income Fund-Short Term Plan -Wholesale Option-Dividend Reinvestment	17,861,861	180,063,630	180,729	1,821,915	18,042,590	181,885,545	-	-
HDFC Short Term Opportunities Fund-Dividend, Option:Reinvest	-	-	6,265,043	62,738,200	6,265,043	62,813,318	-	-
ICICI Prudential Flexible Income Plan Premium-Daily Dividend	2,399,203	252,766,364	23,334	2,513,575	2,422,536	255,232,001	-	-
ICICI Prudential Floating Rate Plan C- Daily Dividend	-	-	200,210	20,033,011	200,210	20,033,011	-	-
ICICI Prudential-Blended Plan B-Institutional -Daily Dividend	-	-	5,219,822	52,197,694	5,219,822	52,216,491	-	-
ICICI Prudential-Blended Plan B-Institutional -Dividend	-	-	5,029,270	52,090,454	5,029,270	52,157,551	-	-
IDFC Money Manager Fund- TP- Super Institutional Plan C - Daily Div.	6,072,683	60,735,940	11,522,229	115,239,570	17,594,912	175,975,511	-	-
IDFC Money Manager Fund-Treasury Plan-Institutional Plan B -Daily Dividend	4,053,215	40,817,091	3,135,943	31,579,886	7,189,158	72,396,976	-	-
IDFC Savings Advantage Fund - Plan A - Daily Dividend	-	-	53,445	53,453,416	-	-	53,445	53,453,416
IDFC Ultra Short Term Fund Daily Dividend	-	-	5,297,472	53,040,936	5,297,472	53,040,936	-	-
JM High Liquidity Fund Institutional Plan-Daily Dividend	-	-	6,126,358	61,360,990	6,126,358	61,360,990	-	-

(Contd..)

Consolidated Financial Statements



8. Investment In Mutual Funds (Contd..)

Name of Mutual Fund	Balance as on April 1, 2010		Purchased during the year		Sold during the year		(Amount in ₹)	
	No. of Units	Amount in ₹	No. of Units	Amount in ₹	No. of Units	Amount in ₹	No. of Units	Amount in ₹
JM Money Manager Fund Regular Plan- Daily Dividend	-	-	6,154,286	61,611,788	6,154,286	61,611,788	-	-
JM Money Manager Fund Super Plan- Daily Dividend	-	-	12,609,128	126,240,063	6,208,234	62,155,602	6,400,893	64,084,461
Kotak Floater Long Term -Daily Dividend	19,372,866	195,274,610	203,244	2,048,656	19,576,109	197,323,265	-	-
Principal Ultra Short Term Fund- Dividend Reinvestment Daily	1,221,091	12,235,334	6,464	64,772	1,227,555	12,300,106	-	-
Reliance Medium Term Fund-Daily Dividend Plan	-	-	3,101,241	53,018,513	3,101,241	53,018,513	-	-
Reliance Money Manager Fund-Institutional Option -Daily Dividend Plan	100,116	100,229,376	1,345	1,347,123	101,461	101,600,032	-	-
Reliance Money Manager Fund-Retail Option-Daily Dividend Plan	-	-	53,226	53,285,431	53,226	53,285,431	-	-
Reliance Monthly Interval Fund - Series II	-	-	1,196,651	11,968,524	-	-	1,196,651	11,968,524
- Institutional Dividend Plan	-	-	14,974	15,000,000	-	-	14,974	15,000,000
Religare Ultra Short Term Fund- Institutional Daily Dividend	-	-	-	-	-	-	-	-
Templeton Floating Rate Income Fund Long Term Plan Super Institutional	5,195,183	51,985,296	93,737	938,607	5,288,920	52,987,573	-	-
Templeton Floating Rate Income Fund Long Term Plan Super Institutional-Daily Dividend Reinvestment	-	-	16,596,446	166,209,278	11,120,092	111,355,041	5,476,355	54,854,237
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment	11,194,725	112,077,107	90,332	904,369	11,285,057	112,981,476	-	-
TFLD TATA Floater Fund-Daily Dividend	5,050,255	50,682,335	22,392	224,715	5,072,646	50,907,050	-	-
UTI -Floating Rate Fund- Short Term Plan-Institutional Daily Dividend Plan- Re-invest	-	-	108,208	108,291,041	53,082	53,122,903	55,126	55,168,138
UTI Liquid Cash Plan Institutional-Daily Income Option-Re-investment	-	-	103,073	105,077,675	103,073	105,077,675	-	-
UTI Treasury Advantage Fund- Institutional Plan (Daily Dividend Option) -Re-Investment	112,975	112,999,152	556	556,279	113,531	113,555,431	-	-
UTI Treasury Advantage Fund- Institutional Plan- Daily Divided-Re-Investment	72,867	72,882,389	616	616,320	73,483	73,498,710	-	-
UTI Treasury Advantage Fund-Institutional Plan (Daily Dividend Plan) -Re-Investment	63,855	63,868,515	715	715,503	64,570	64,584,017	-	-
TOTAL	92,385,511	1,503,127,576	141,726,822	1,868,762,651	212,959,521	3,038,205,581	21,152,812	334,117,469



9. Lease payments made under operating leases amounting to ₹ 105,347,493 (2009-10 - ₹ 90,597,135) have been recognised as an expense in the consolidated profit and loss account. The future minimum lease commitments of Infotech Group under non-cancellable operating leases are as follows:

Maximum Obligations on long-term non-cancellable operating leases

(Amount in ₹)

	March 31, 2011	March 31, 2010
Not Later than One Year	37,033,103	20,290,814
Later than One Year but not Later than Five Years	34,014,212	5,445,855
Total	71,047,315	25,736, 669

10. Earnings per Share (EPS)

Particulars	March 31, 2011	March 31, 2010
Profit After Taxation, after share of profit in Associate Company and Minority Interest (₹)	1,396,890,422	1,708,758,539
Basic:		
Number of shares outstanding	111,276,269	110,999,048
Weighted average shares outstanding	111,178,498	110,688,292
Earnings Per Share (₹)	12.56	15.44
Diluted:		
Effect of dilutive issue of stock options	202,310	429,988
Total shares outstanding (including dilution)	111,380,808	111,118,280
Earnings Per Share (₹)	12.54	15.38

11. Goodwill arising on acquisition of Daxcon Engineering Services Inc

On 15 January, 2010, the group acquired 100% stake in Daxcon Engineering Services Inc. The total cost of the acquisition was ₹ 367,075,004 (including cost of investment of ₹ 5,955,004). The goodwill on the acquisition has been determined as follows:

Particulars	Amount in ₹
Consideration Paid	367,075,004
Less: 100% of net assets as on January 15, 2010	(19,401,116)
Goodwill arising	347,673,888

With effect from January 1, 2011, Daxcon got merged with Infotech Enterprises America Inc.

12. Goodwill arising on acquisition of Wellsco Inc.

As on August 8, 2010, the Group acquired 100% stake in Wellsco Inc. The total cost of acquisition was ₹ 217,486,765 (including cost of investment of ₹ 16,162,745). The goodwill on the acquisition has been determined as follows:

Particulars	Amount in ₹
Consideration Paid	217,486,765
Less: 100% of net assets as on August 8, 2010	(92,398,675)
Goodwill arising	125,088,090



13. Investment in Joint Venture : Infotech HAL Limited

The schedules for Consolidated Balance Sheet and Consolidated Profit and Loss Account include the following amounts towards Infotech's share in the Joint Venture:

Consolidated Balance Sheet:		(Amount in ₹)	
Particulars	Schedule Reference	March 31, 2011	March 31, 2010
Debit balance in Profit and Loss Account	2	8,470,103	5,494,264
Fixed Assets (Net)	4	1,496,296	2,653,691
Sundry Debtors	7	1,851,455	8,261,002
Cash and Bank Balance	8	2,125,275	4,595,949
Loans and Advances	9	6,987,412	353,866
Current Liabilities	10	(793,432)	(1,897,511)
Provisions	11	(137,109)	(137,109)
Consolidated Profit and Loss Account:		(Amount in ₹)	
Particulars	Schedule Reference	March 31, 2011	March 31, 2010
Sale of Services		8,705,915	9,690,165
Other Income	12	11,896	511,681
Personnel Expenses	13	4,667,452	4,702,105
Operating and Administrative Expenses	14	2,404,171	4,459,501
Financial Expenses	15	3,108	—
Depreciation and Amortisation	4	1,530,137	959,280

14. Contingency Reserve

Infotech is contesting the Income Tax Appellate Tribunal's (ITAT) order for the denial of certain export benefits under the Income Tax Act, 1961 on the grounds of the date of establishment of the Export Oriented Unit. The petition contesting the ITAT's Order has been admitted by the Honourable High Court of Andhra Pradesh and the case has not yet come up for hearing during the year.

Further, Infotech is contesting certain other disallowances made by the Deputy Commissioner of Income-tax for the assessment years 2002-03 to 2006-07. The matters have been taken up with the appropriate authorities and the Company is hopeful of the favourable resolution, based on professional advice. As a matter of abundant precaution, the Company has set aside an amount of ₹ 161,000,000 (31.03.2010 - ₹ 161,000,000) as Contingency Reserve to meet any future eventuality.

15. The Company had issued 2,724,000 Compulsorily Convertible Preference Shares ("CCPS") with a face value of ₹ 360 on July 6, 2007 to M/s. GA Global Investments Limited ("GA" or "the Allottee"). The terms and conditions of the issue of these CCPS including the right to convert the CCPS into Equity Shares are subject to the provisions of the Agreement entered into between the Allottee and the Company, dated June 28, 2007, the guidelines issued by SEBI, RBI, etc., and the Special Resolution passed in the Extraordinary General Meeting of members of the Company held on June 23, 2007. The CCPS were to be converted into equal number of equity shares within a period of 18 months from the date of allotment at the option of the Allottee and if no option is exercised, the same shall be automatically converted into equity shares at the end of 18 months.

GA Global investments have exercised the option to convert the CCPS and in pursuance of this exercise the Company has allotted 2,724,000 equity shares of ₹ 5/- each, at a premium of ₹ 355 each on December 9, 2008. As such, there are no preference shares in the Company post the above conversion.

The Company altered the capital clause of the Memorandum of Association by deleting the reference to the clauses pertaining to Compulsorily Convertible Preference Shares (CCPS). The clauses were no longer relevant as the said CCPS were issued in 2007 and had since been converted into equity shares. Form 5 has been filed with the Registrar of Companies, Andhra Pradesh, notifying the said alteration (as approved by the members through postal ballot) on June 1, 2010.



16. Amalgamation

TTM (India) Private Limited, a wholly owned subsidiary of Infotech Enterprise Limited ("the Company") has been amalgamated with the Company w.e.f. April 1, 2009 pursuant to Scheme of Amalgamation approved by the Honourable High Court of Judicature, Andhra Pradesh vide its order dated July 27, 2009 and filed with Registrar of Companies on September 29, 2009. Consequently, all the Assets, Liabilities and Reserves stand taken over by the Company retrospectively from April 1, 2009 and accounted under "Pooling of Interest" method as per the Accounting Standard-14 "Accounting for Amalgamations". As TTM (India) Private Limited was a wholly owned subsidiary of the Company, no additional shares were issued to effect the Amalgamation.

Particulars	Amount in ₹
Consideration paid	36,842,000
Less: 100% of net assets taken over as on April 1, 2009 based on audited accounts	(1,936,000)
Goodwill *	34,906,000

* The above Goodwill has been charged off to General Reserve on Amalgamation.

17. Contingent Liabilities and Commitments

- Estimated amount of contracts remaining to be executed on capital accounts not provided for, net of advances ₹ 158,505,654 (31.03.2010 - ₹ 45,325,045).
 - Infotech has outstanding counter guarantees of ₹ 80,912,894 as on March 31, 2011, including Share in Joint Venture of ₹ 2,882,000, to banks in respect of guarantees given by the said banks in favour of various agencies (31.03.2010 - ₹ 72,925,183 including Share in Joint Venture ₹ 2,882,000).
 - Infotech has disputed various demands raised by Income Tax authorities for the assessment years 1997-98 to 2007-08. The orders are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 178,022,384 (31.03.2010 - ₹ 161,954,153). Infotech is confident that these appeals will be decided in its favour, based on professional advice.
 - Infotech has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20,221,861 (31.03.2010 - ₹ 16,344,575). Infotech is confident that these appeals will be decided in its favour, based on professional advice.
 - The Company has disputed various demands raised by the Service Tax authorities for the financial years 2005-06 to 2009-10. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 139,763,613 (31.03.2010 - ₹ Nil). The Company is confident that these appeals will be decided in its favour, based on professional advice.
 - During the year, Infotech Enterprises America Inc. entered into a 120 month lease for premises in Peoria, Illinois, USA. The capital lease has been recorded at the present value of the minimum lease payments in the consolidated balance sheet. The asset is amortised over the life of the lease.
 - In connection with acquisition of Wellsco Inc., an amount of ₹ 20,354,236 from the purchase consideration was placed in Indemnity Escrow account with a bank for a period of 18 months from the date of acquisition, as an indemnity towards any potential claims that belong prior to the date of acquisition.
 - In connection with acquisition of Daxcon Engineering Services Inc., an amount of ₹ 44,650,000 from the purchase consideration was placed in Indemnity Escrow account with a bank for a period of 2 years from the date of acquisition, as an indemnity towards any potential claims that belong prior to the date of acquisition. 50% of the escrow will be paid out after 1 year and balance 50% will be paid at the end of 2nd year.
18. During the year ended March 31, 2011, the Company acquired the rights to perform rail signalling and interlinking services to a Rail Signalling Company in the UK (customer). The Company paid ₹ 45,000,000 (31.03.2010 - ₹ Nil) to acquire the rights from another company in the UK which was already providing the services to the customer. The service agreement was effective from January 1, 2011, valid for a period of three years. The Company recognised this as an Intangible asset which will be amortised over the period of the contract.



19. (a) Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, relating to the Subsidiary Companies

Name of the Subsidiary Company	Infotech Enterprises Europe Limited	Infotech Enterprises America Inc.	Infotech Enterprises GmbH	Infotech Enterprises Japan KK	Infotech Geospatial (India) Limited	TTM Institute of Information Technology Private Limited	Infotech Enterprises Information Technology Services Private Limited
1. Financial year of the subsidiary ended on	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
2. Shares of Subsidiary Company held on the above date and extent of holding							
I) Number of Shares held	185,000,000	500,500	1,126	900	2,190,400	10,000	9,990
II) Extent of holding	100%	100%	100%	100%	74%	100%	100%
3. Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern members of Infotech Enterprises Limited							
I) dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL
II) not dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	GBP 250,868 ₹ 16,833,712	USD 1,334,954 ₹ 60,833,839	EUR 1,795,680 ₹ 107,728,463	(JPY 25,270,930) ₹ 13,314,571	₹ 3,946,753 ₹ 3,946,753	(₹ 3,085,532) (₹ 3,085,532)	(₹ 12,882,599) (₹ 12,882,599)
4. Net aggregate amount of profit/(losses) for previous financial years of the subsidiary so far as they concern members of Infotech Enterprises Limited							
I) dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	GBP 800,648 ₹ 64,840,475	USD 620,000 ₹ 26,712,700	EUR 1,005,556 ₹ 63,814,128	NIL NIL	NIL NIL	NIL NIL	NIL NIL
II) not dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	GBP 1,955,429 ₹ 154,800,647	USD 10,343,491 ₹ 458,671,636	EUR 5,506,164 ₹ 312,001,405	(JPY 42,887,972) ₹ 21,975,553	(₹ 28,912,368) (₹ 28,912,368)	(₹ 6,579,866) (₹ 6,579,866)	NIL NIL

Consolidated Financial Statements



19. (b) Statement pursuant to Section 212(1)(b) of the Companies Act, 1956, relating to the Subsidiary Companies

Name of the Subsidiary Company	Infotech Enterprises Europe Limited	Infotech Enterprises America Inc.	Infotech Enterprises GmbH	Infotech Enterprises Japan KK	Infotech Geospatial (India) Limited	TTM Institute of Information Technology Private Limited	Infotech Enterprises Information Technology Services Private Limited
Financial year of the subsidiary ended on	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
(A) Capital	145,442,075	992,873,272	25,427,950	4,787,622	40,000,000	100,000	100,000
(B) Reserves	186,030,140	612,787,384	462,077,912	(37,219,827)	(28,340,026)	(10,406,948)	(12,882,599)
(C) Total Assets	428,620,173	2,317,796,602	885,268,460	16,520,041	70,412,378	2,546,803	33,161,750
(D) Total Liabilities	97,254,968	712,234,152	397,762,598	48,952,246	58,752,404	12,853,751	45,944,349
(E) Details of Investment	107,010	98,206	-	-	-	-	-
(F) Turnover	1,031,885,095	4,885,803,200	2,389,947,449	28,939,157	63,505,071	-	71,054,971
(G) Profit Before Taxation	20,909,538	115,272,057	175,149,702	(13,314,571)	3,492,170	(3,085,532)	(12,845,403)
(H) Provision for Taxation	4,075,826	63,184,211	67,421,239	-	(454,583)	-	37,197
(I) Profit After Taxation	16,833,712	52,087,846	107,728,463	(13,314,571)	3,946,753	(3,085,532)	(12,882,599)
(J) Dividends paid	-	-	-	-	-	-	-



20. Regrouping/Reclassification

The figures for previous year have been regrouped / reclassified wherever necessary, to conform to the current year figures.

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

B. Sucharitha
Whole-time Director

Sundar Viswanathan
Chief Financial Officer

Sudheendhra Putty
Company Secretary

Place : Hyderabad
Date : April 20, 2011



Statement on Significant Accounting Policies

1. Basis for preparation of financial statements

The Consolidated Financial Statements include the accounts of Infotech Enterprises Limited ("Infotech") and its subsidiary companies, associate Company and joint venture ("Infotech Group"/"Company"). Subsidiary companies are those in which Infotech, directly or indirectly, have an interest of more than one half of the voting power or otherwise have power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to Infotech and are no longer consolidated from the date of disposal. Investment in associate Company is accounted for, using the equity method. Investment in joint venture is accounted for, as per proportionate consolidation method.

These consolidated financial statements of Infotech Group are prepared under historical cost convention in accordance with generally accepted accounting principles ("GAAP") applicable in India and the Accounting Standard 21 on Consolidation of Financial Statements, Accounting Standard 23 on Accounting for Associates and Accounting Standard 27 on Financial Reporting of Investment in Joint Ventures, notified under Section 211(3C) and other relevant provisions of the Companies Act, 1956 and in conformity with the guidelines issued by SEBI from time to time to the extent possible in the same format as that adopted by Infotech for its separate financial statements.

All Inter Company transactions, balances and unrealised surpluses and deficits on transactions within Infotech Group are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.

Minority interest in Subsidiary represents the Minority Share Holder's proportionate share of net assets and the net income of Infotech's minority owned subsidiaries.

2. Use of estimates

The preparation of financial statements in conformity with the GAAP requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenditure during the reported year. Examples include provisions for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable assets and provisions for impairment.

Accounting estimates could change from period to period. Appropriate changes in estimates are made as the

management becomes aware of changes in circumstances surrounding the estimates. The effects of changes in accounting estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Revenue recognition

Revenue recognition from sale of services depends on the arrangements with the customer which are either on "Time and material" or on a "Time bound fixed-price" basis.

Revenue from software services performed on a "Time and material" basis is recognised as and when services are performed.

The Company also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones and/or on the basis of man-days/man-hours spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage of completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

Revenue from sale of products is recognised when the product has been delivered, in accordance with the sales contract.

Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue represents amounts recognised based on services performed in advance of billings in accordance with contract terms.

Income from interest is stated at gross and recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

Dividend income is recognised when the Company's right to receive dividend is established.

Revenues from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenues from fixed-price maintenance contracts are recognised pro-rata over the period of the contract in which the services are rendered.



Statement on Significant Accounting Policies

Reimbursement of expenditure is recognised under revenue along with recognition of sale of service to which it relates.

4. Fixed assets, intangible assets and capital work-in-progress

Fixed Assets are stated at actual cost, less accumulated depreciation and impairment, if any. The actual cost capitalised comprises material cost, inward freight, installation cost, duties and taxes and other incidental expenses incurred to acquire/construct/install the assets.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the profit and loss account.

Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

5. Depreciation and amortisation

Depreciation on fixed assets is provided on the straight-line method over their estimated useful lives on the following basis:

The estimated useful lives are as follows:

	Estimated Useful Lives
Building	28 years
Computers and Software	3 years
Plant and Machinery	10 years
Office Equipment	10 years
Furniture and Fixtures	10 years
Electrical Installation	10 years
Vehicles	5 years
Leasehold Improvements	Shorter of lease period or estimated useful lives

Costs of software purchased for use in the projects are depreciated over the estimated useful life or over the period of the project whichever is lower.

Customer contracts acquired, are amortised straight-line over the period of the contract.

6. Goodwill and other intangible assets

Goodwill represents excess cost paid for investment in subsidiary over the parent's portion of equity in that

subsidiary at the date on which investment in such subsidiary is made. Goodwill is amortized on a straight-line basis principally over a period of 5-10 years. The goodwill is reviewed for impairment whenever events or changes in business circumstances indicate the carrying amount of assets may not be fully recoverable. If impairment is indicated, the asset is written down to its fair value.

7. Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments comprising investments in mutual funds are carried at the lower of cost and fair value. Cost for overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Provision is made to recognise any reduction in the carrying value and any reversal of such reduction is credited to profit and loss account.

Long-term investments are carried at cost, and provision is made to recognise any decline, other than temporary, in the value of such investment.

8. Research and development

Revenue expenditure incurred on research and development is expensed as incurred. Assets used for research and development activities are included in fixed assets.

9. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction and exchange differences arising from foreign currency transactions are recognised in the profit and loss account. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognised in the profit and loss account. Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

The operations of foreign branches of the Company are integral in nature and the financial statements of these branches are translated using the same principles and procedures of head office.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculation purposes.



Statement on Significant Accounting Policies

In case of forward exchange contract or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risk, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract. Exchange differences on such forward exchange contract are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

Gain/Loss on settlement of transaction arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

All other derivative exchange contracts are valued on a mark to market basis and any gain or loss on mark to market changes as at the end of the reporting period is recognized in the profit and loss account.

For translating financial statement of subsidiaries, they are classified as non-integral foreign operations. In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the profit and loss account are translated at the average exchange rate during the period. The differences arising out of the translation are carried in the Currency Translation Reserve Account.

10. Retirement benefits

Provident fund

Contributions in respect of Employees Provident Fund and Pension Fund are made to a fund administered and managed by the Government of India and are charged as incurred on accrual basis.

The subsidiaries of Infotech operate through defined contribution pension scheme. The assets of the scheme are held separately from those of the subsidiaries in an independent administered fund. The subsidiaries have no further obligations under the scheme beyond its monthly contributions.

Superannuation

Contributions under the superannuation plan are made to a fund administered and managed by the Life Insurance Corporation of India and are charged as incurred on accrual basis.

Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Gratuity

The Company also provides for other retirement benefits in the form of gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method.

11. Income taxes

Income taxes are accrued in the same period that the related revenue and expense arise. Infotech operates as Export Oriented Unit ("EOU") and enjoys tax exemptions u/s 10A of Income Tax Act, 1961. For subsidiaries the current charge for income tax is calculated in accordance with the relevant tax regulations. A provision is made for income tax annually, based on tax liability computed, after considering tax allowances and exemptions. Tax expense for a year comprises of current tax and deferred tax.

Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements by each entity in the Company.

Deferred taxes of Infotech are recognised in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period.

The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on



enacted or substantively enacted regulations. Deferred tax assets, other than those relating to unabsorbed depreciation and carry forward business loss, are recognised only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each reporting date.

MAT paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the balance sheet.

12. Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on a straight-line basis.

13. Warranty cost

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of rework hours and service delivery costs.

14. Earnings per share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). The number of shares and potentially dilutive shares are adjusted for share splits/ reverse share splits and bonus shares, as appropriate.

15. Employee Stock Options

Stock options granted to the associates of the Company under various Stock Option Schemes established after June 19, 1999 are evaluated as per the accounting treatment prescribed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

issued by Securities Exchange Board of India.

The exercise price is the market price as defined in the SEBI Guidelines from time to time. i.e. market price equals the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

This method results in following of Intrinsic Value method under which no deferred employee compensation is charged to profit and loss account.

16. Impairment of assets

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

17. Provisions and contingencies

The Company creates a provision if there is a present obligation as a result of past events, the settlement of which results in an outflow of economic benefits and a reliable estimate can be made of the amount of obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligations cannot be made.

18. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.



Consolidated Cash Flow Statement

(Amount in ₹)

	For the year ended	
	March 31, 2011	March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation, Share of Profit in Associate Company and Minority Interest	1,597,670,930	2,079,874,643
Adjustment for :		
Depreciation and Amortisation	485,911,577	435,686,770
Financial Expenses	15,434,193	31,235,477
Loss on Sale of Fixed Assets	56,828	7,570,464
Interest on Loans and Deposits	(135,521,418)	(117,452,366)
TTM (India) Private Limited Amalgamation Adjustment	—	3,900,353
Provision for Doubtful Debts	12,770,308	8,974,481
Bad Debts/Advances Written Off	5,306,191	15,894,814
Unrealized Gain on Translation Differences	274,186,228	(178,160,431)
Unrealized Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	(48,325,756)	(17,563,350)
Dividend Income from Current Investments	(31,178,264)	(33,127,971)
Profit on Sale of Current Investments	(480,754)	(5,520)
Cash generated before working capital changes	2,175,830,063	2,236,827,364
Working Capital changes:		
(Increase) / Decrease in Sundry Debtors	(552,706,351)	122,445,434
(Increase) / Decrease in Unbilled Revenue	18,042,070	36,896,301
(Increase) / Decrease in Loans and Advances	(127,100,685)	(177,714,018)
Increase / (Decrease) in Current Liabilities and Provisions	(145,342,144)	(551,111,523)
Cash generated from operations	1,368,722,953	1,667,343,558
Taxes Paid	(435,354,666)	(407,935,356)
NET CASH GENERATED FROM OPERATING ACTIVITIES	933,368,287	1,259,408,202
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(728,697,162)	(351,238,350)
Proceeds from Sale of Fixed Assets	(11,920,519)	3,795,974
Paid for acquisition of Daxcon Engineering Services Inc., (Refer Note 11 of Schedule 16)	—	(367,075,004)
Paid for acquisition of Wellco Inc., (Refer Note 12 of Schedule 16)	(217,486,765)	—
Purchase of Current Investments	1,169,010,107	(1,503,127,576)
Proceeds from Sale of Current Investments	31,659,018	33,133,491
Proceeds from long term matured deposits	1,378,714,652	25,257,206
Long term deposits placed with banks	(2,205,482,920)	(1,378,714,652)
Interest on Loans and Deposits	85,361,103	138,719,391
NET CASH GENERATED USED IN INVESTING ACTIVITIES	(498,842,486)	(3,399,249,520)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	1,121,985	27,961,300
Increase in Securities Premium account on account of further issue of Share Capital	22,996,101	—
Repayment of Loans	(27,088,343)	(128,363,126)
Financial Expenses Paid	(15,434,193)	(31,235,477)
Dividends Paid	(131,086,850)	(96,676,415)
NET CASH USED IN FINANCING ACTIVITIES	(149,491,300)	(228,313,718)
D. EXCHANGE DIFFERENCES ON TRANSLATION OF CASH AND CASH EQUIVALENTS	48,325,756	17,563,350
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	333,360,257	(2,350,591,686)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	956,860,984	3,306,865,951
CASH ACQUIRED ON ACQUISITION OF DAXCON ENGINEERING SERVICES INC., (Refer Note 11 of schedule 16)	—	586,719
CASH ACQUIRED ON ACQUISITION OF WELLSCO INC., (Refer Note 12 of schedule 16)	4,948,304	—
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,295,169,545	956,860,984
Supplementary Information:		
Cash and Bank Balances	3,502,410,100	2,337,227,884
Less: Long Term Deposits with Scheduled Banks considered as Investment	2,205,482,920	1,378,714,652
Less: Balance in unclaimed dividend accounts	1,757,635	1,652,248
Balance considered for Cash Flow Statement	1,295,169,545	956,860,984

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants**Ganesh Balakrishnan**
Partner

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director
Sundar Viswanathan
Chief Financial Officer**B. Sucharitha**
Whole-time Director
Sudheendhra Putty
Company SecretaryPlace : Secunderabad
Date : April 20, 2011Place : Hyderabad
Date : April 20, 2011



10 Year Historical Data – Standalone as per Indian GAAP

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
(₹ Millions except per share data, other information and ratios)										
For the year										
Total Revenue	1,004.70	1,253.68	1,257.82	1,573.39	2,150.52	3,549.40	4,540.86	5,438.11	6,079.50	6,797.14
EBITDA	439.04	468.76	307.19	418.32	493.77	988.77	1,091.92	1,123.29	1,960.04	1,692.81
Financial charges	10.89	6.75	2.38	1.11	3.03	3.61	28.70	35.14	4.70	2.99
Depreciation & Amortization	114.66	151.31	160.36	124.07	139.34	222.69	343.03	426.64	407.07	375.48
Provision for Income Tax	4.43	57.00	43.00	92.50	65.00	100.08	94.30	110.00	125.70	125.78
Deferred Tax	21.43	(12.87)	(20.65)	(22.42)	(7.88)	(1.34)	25.02	(174.10)	154.92	9.76
Fringe Benefit Tax	—	—	—	—	10.51	13.27	15.29	17.00	—	—
Profit Before Extraordinary item	287.63	266.57	122.10	223.06	283.76	650.45	585.57	708.62	1,267.65	1,178.80
Extraordinary item (OCD's)	31.33	—	—	—	—	—	—	—	—	—
Profit after tax from ordinary activities	256.30	266.57	122.10	223.06	283.76	650.45	585.57	708.62	1,267.65	1,178.80
Dividend	15.04	18.09	18.23	22.09	34.24	51.92	62.55	82.84	111.00	138.97
As at the end of the year										
Share capital	72.00	144.70	145.81	147.27	152.19	230.77	1,241.28	276.15	277.50	556.38
Reserves and surplus	1,103.18	1,279.13	1,384.39	1,591.51	1,963.58	2,504.56	5,014.97	6,622.86	7,760.85	8523.12
Net Worth	1175.18	1,423.83	1,530.20	1,738.78	2,115.78	2,735.33	6,256.25	6,899.01	8,038.35	9,079.50
Loan funds	141.63	2.25	1.52	2.40	2.31	151.74	380.54	186.67	—	—
Gross block	684.09	793.54	884.91	1,126.36	1,679.44	2,323.50	3,703.78	4,542.28	4,836.26	5,353.54
Capital investment	242.23	109.45	91.37	241.45	553.09	644.06	1,380.27	838.50	293.99	517.28
Net Current assets	664.38	709.95	649.80	603.57	757.40	1,046.02	1,766.40	3,203.98	2,651.53	4,508.81
Debt – equity ratio	0.12	0.002	0.001	0.001	0.001	0.055	0.061	0.027	—	—
Market capitalization										
Per share data										
Bonus / Capital History	—	1:1	—	—	—	1:2	—	—	—	1:1
Basic earnings from ordinary activities (₹) (EPS)	40.91	18.47	8.41	15.23	18.80	14.18	11.54	13.30	11.45	10.60
Dividend Per Share (₹) (DPS)	2.40	1.25	1.25	1.50	2.25	1.13	1.20	1.50	2.00	1.25
Dividend (%)	24.0%	12.5%	12.5%	15.0%	22.5%	22.5%	24.0%	30.0%	40.0%	25.0%
Dividend Pay-out (%)	5.9%	6.8%	14.9%	9.9%	12.1%	8.0%	10.3%	11.7%	17.5%	11.8%
Book Value (₹)	163	98	105	118	139	59	124	125	72	82
Face Value (₹)	10	10	10	10	10	5	5	5	5	5

* Figures are regrouped and reclassified where-ever necessary.

* In 2006-07, the Company sub divided its ₹ 10 share into 2 shares of ₹ 5 each. Post that 1 Bonus share was issued for every 2 shares held.



Financial Analysis – Standalone as per Indian GAAP

Balance Sheet

(₹ Million and Percentage)

	2010-11	%	2009-10	%	2008-09	%	2007-08	%	2006-07	%
SOURCES OF FUNDS										
Shareholders' Funds										
Share Capital	556.38	6.13	277.50	3.45	276.15	3.90	1,241.28	18.70	230.77	7.99
Reserves and Surplus	8,523.12	93.87	7,760.85	96.55	6,622.86	93.47	5,014.97	75.56	2,504.56	86.75
Net worth	9,079.50	100.00	8,038.35	100.00	6,899.01	97.37	6,256.25	94.27	2,735.33	94.74
Loan Funds										
Secured	-	-	-	-	186.67	2.63	380.54	5.73	151.74	5.26
Unsecured	-	-	-	-	0	-	-	-	-	-
Total debt	-	-	-	-	186.67	2.63	380.54	5.73	151.74	5.26
Deferred Tax Liability	-	-	-	-	-	-	-	-	-	-
TOTAL	9,079.50	100.00	8,038.35	100.00	7,085.68	100.00	6,636.79	100.00	2,887.07	100.00
APPLICATION OF FUNDS										
Fixed Assets Gross	5,353.54	58.96	4,836.26	60.16	4,542.28	64.11	3,703.78	55.81	2,323.50	80.48
Depreciation & Amortization	2,590.40	28.53	2,236.96	27.83	1,866.40	26.34	1,525.17	22.98	1,183.48	40.99
Net block	2,763.14	30.43	2,599.30	32.34	2,675.88	37.76	2,178.61	32.83	1,140.03	39.49
Investments	1,793.33	19.75	2,763.52	34.38	1,026.91	14.49	2,686.98	40.49	671.19	23.25
Deferred Tax Assets	14.23	0.16	23.99	0.30	178.91	2.52	4.80	0.07	29.83	1.03
Current Assets										
Debtors & Unbilled Revenue	1,680.10	18.50	1,131.06	14.07	1,540.46	21.74	1,261.63	19.01	902.23	31.25
Cash & Bank	2,938.63	32.37	1,860.56	23.15	2,729.16	38.52	875.35	13.19	455.80	15.79
Others	-	-	-	-	-	-	-	-	-	-
Loans and Advances	1,815.91	20.00	1,304.31	16.23	464.59	6.56	347.55	5.24	276.68	9.58
Long Term Deposits	-	-	-	-	-	-	-	-	-	-
Total Current assets	6,434.64	70.87	4,295.93	53.44	4,734.20	66.81	2,484.53	37.44	1,634.71	56.62
Less: Current Liabilities	1,925.84	21.21	1,644.39	20.46	1,530.21	21.60	718.14	10.82	588.69	20.39
Net current Assets	4,508.80	49.66	2,651.54	32.99	3,203.98	45.22	1,766.40	26.62	1,046.02	36.23
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-
TOTAL	9,079.50	100.00	8,038.35	100.00	7,085.68	100.00	6,636.79	100.00	2,887.07	100.00

*Figures are regrouped and reclassified where-ever necessary.



Financial Analysis – Standalone as per Indian GAAP

Profit and Loss Summary

(₹ Million and Percentage)

	2010-11	%	2009-10	%	2008-09	%	2007-08	%	2006-07	%
INCOME										
Export	6,244.16	91.86	5,457.36	89.77	5,510.25	101.33	4,231.65	93.19	3,378.84	95.19
Domestic	232.50	3.42	160.63	2.64	155.47	2.86	120.22	2.65	67.30	1.90
Other Income	320.47	4.71	461.51	7.59	(227.61)	-4.19	188.99	4.16	103.26	2.91
Total Income	6,797.13	100.00	6,079.50	100.00	5,438.11	100.00	4,540.86	100.00	3,549.40	100.00
EXPENDITURE										
Staff Cost	3,306.02	48.64	2,786.82	45.84	2,725.33	50.12	2,109.35	46.45	1,462.45	41.20
Operating & Admin. Expenditure	1,798.30	26.46	1,332.64	21.92	1,589.49	29.23	1,339.59	29.50	1,098.19	30.94
Financial Charges	2.99	0.04	4.70	0.08	35.14	0.65	28.70	0.63	3.61	0.10
Depreciation & Amortization	375.48	5.52	407.07	6.70	426.64	7.85	343.03	7.55	222.69	6.27
Total Expenditure	5,482.79	80.66	4,531.23	74.53	4,776.59	87.84	3,820.67	84.14	2,786.94	78.52
Pre-tax profit	1,314.34	19.34	1,548.27	25.47	661.52	12.16	720.19	15.86	762.46	21.48
Provision for Income Tax	125.78	1.85	125.70	2.07	110.00	2.02	94.30	2.08	100.08	2.82
Deferred Tax	9.76	0.14	154.92	2.55	(174.10)	(3.20)	25.02	0.55	(1.34)	(0.04)
Fringe Benefit Tax	-	-	-	-	17.00	0.31	15.29	0.34	13.27	0.37
Profit Before Extraordinary Item	1,178.80	17.34	1,267.63	20.85	708.62	13.03	585.57	12.90	650.45	18.33
POST- TAX PROFIT	1,178.80	17.34	1,267.65	20.85	708.62	13.03	585.57	12.90	650.45	18.33

*Figures are regrouped and reclassified where ever necessary.



Financial Analysis – Consolidated as per Indian GAAP

Balance Sheet

		(₹ Million and Percentage)							
	2010-11	%	2009-10	%	2008-09	%	2007-08	%	2006-07
SOURCES OF FUNDS									
Shareholders' Funds									
Share Capital	556.38	5.40	277.50	3.05	276.15	3.49	1,241.28	17.36	230.77
Reserves and Surplus	9,736.74	94.54	8,785.95	96.47	7,427.16	94.00	5,482.81	76.67	2,711.09
Net worth	10,293.12	99.95	9,063.45	99.52	7,703.31	97.49	6,724.09	94.02	2,941.86
Minority Interest	-	-			3.31	0.04	3.49	0.05	-
Loan Funds									
Secured	5.50	0.05	43.99	0.48	194.72	2.46	424.03	5.93	260.44
Total debt	5.50	0.05	43.99	0.48	194.72	2.46	424.03	5.93	260.44
Deferred Tax Liability									-
TOTAL	10,298.62	100.00	9,107.44	100.00	7,901.33	100.00	7,151.62	100.00	3,202.30
APPLICATION OF FUNDS									
Fixed Assets Gross (Including Goodwill)	6,313.52	61.30	5,546.62	60.90	5,197.81	65.78	4,088.00	57.16	2,473.56
Depreciation & Amortization	2,933.24	28.48	2,392.22	26.27	2,189.25	27.71	1,793.24	25.07	1,215.57
Net block	3,380.28	32.82	3,154.40	34.64	3,008.56	38.08	2,294.76	32.09	1,257.99
Investments	912.74	8.86	2,022.74	22.21	402.38	5.09	2,293.40	32.07	258.74
Deferred Tax Assets	14.83	0.14	29.22	0.32	164.82	2.09	(16.21)	(0.23)	22.15
Current Assets									
Debtors & Unbilled Revenue	3,021.80	29.34	2,389.06	26.23	2,627.77	33.26	2,170.46	30.35	1,603.12
Cash & Bank	3,502.41	34.01	2,337.23	25.66	3,333.50	42.19	1,192.99	16.68	736.00
Loans and Advances	1,848.72	17.95	1,337.45	14.69	602.63	7.63	442.03	6.18	233.70
Total Current Assets	8,372.92	81.30	6,063.75	66.58	6,563.90	83.07	3,805.48	53.21	2,572.82
Current Liabilities	2,382.16	23.13	2,162.66	23.75	2,238.32	28.33	1,225.81	17.14	909.40
Net current Assets	5,990.76	58.17	3,901.09	42.83	4,325.58	54.74	2,579.67	36.07	1,663.42
TOTAL	10,298.62	100.00	9,107.44	100.00	7,901.33	100.00	7,151.62	100.00	3,202.30

*Figures are regrouped and reclassified where-ever necessary.



Financial Analysis – Consolidated as per Indian GAAP

Profit and Loss Summary

(₹ Million and Percentage)

	2010-11	%	2009-10	%	2008-09	%	2007-08	%	2006-07	%
INCOME										
Revenues	11,880.14	97.57	9531.21	95.36	8,897.50	103.42	6,741.26	96.75	5,425.38	98.78
Other Income	295.46	2.43	463.70	4.64	(294.50)	-3.42	226.73	3.25	67.25	1.22
Total Income	12,175.60	100.00	9,994.91	100.00	8,603.00	100.00	6,968.00	100.00	5,492.63	100.00
EXPENDITURE										
Staff Cost	7,465.69	61.32	5427.21	54.30	4,894.92	56.90	3,561.46	51.11	2,646.94	48.19
Operating and Administration Expenses	2,610.90	21.44	2020.90	20.22	2,217.54	25.78	1,962.81	28.17	1,643.77	29.93
(Increase)/Decrease in WIP	-	-	-	-	-	-	-	-	-	-
Financial Charges	15.43	0.13	31.24	0.31	40.30	0.47	37.17	0.53	14.82	0.27
Depreciation & Amortization	485.91	3.99	435.69	4.36	465.59	5.41	365.46	5.24	256.60	4.67
Total Expenditure	10,577.93	86.88	7,915.04	79.19	7,618.35	88.55	5,926.90	85.06	4,562.13	83.06
Pre-tax profit	1,597.67	13.12	2,079.87	20.81	984.66	11.45	1,041.10	14.94	930.50	16.94
Provision for Income Tax	263.49	2.16	349.66	3.50	303.65	3.53	203.72	2.92	184.58	3.36
Deferred Tax	6.31	0.05	155.48	1.56	(181.03)	-2.10	38.36	0.55	(11.45)	-0.21
Fringe Benefit Tax	-	0.00	(0.08)	0.00	17.54	0.20	15.45	0.22	13.27	0.24
Profit Before Extraordinary Item	1,327.87	10.91	1,574.81	15.76	844.50	9.82	783.56	11.25	744.10	13.55
Share of Profit in Associate Company	70.05	0.58	129.17	1.29	80.13	0.93	69.95	1.00	92.53	1.68
Minority Interest	(1.03)	-0.01	4.78	0.05	0.21	0.00	2.21	0.03	-	-
POST- TAX PROFIT	1,396.89	11.47	1,708.76	17.10	924.84	10.75	855.72	12.28	836.63	15.23

*Figures are regrouped and reclassified where-ever necessary.



Ratio Analysis - Standalone as per Indian GAAP

Ratio analysis for the year ended March 31	2011	2010	2009	2008	2007
Ratio - Financial Performance					
Export revenue / Total revenue (%)	91.86	89.77	101.33	93.19	95.19
Domestic revenue / Total revenue (%)	3.42	2.64	2.86	2.65	1.90
Other Income / Total revenue (%)	4.71	7.59	(4.19)	4.16	2.91
Employee cost / Total revenue (%)	48.64	45.84	50.12	46.45	41.20
Administration expenses / Total revenue (%)	26.46	21.92	29.23	29.50	30.94
Operating expenses / Total revenue (%)	75.10	67.76	79.34	75.95	72.14
Depreciation / Total revenue (%)	5.52	6.70	7.85	7.55	6.27
Financial Charges / Total revenue (%)	0.04	0.08	0.64	0.63	0.10
Tax / Total revenue (%)	1.85	2.07	2.02	2.08	2.82
TAX / PBT (%)	9.57	8.12	16.63	13.09	14.69
EBIDTA / Total revenue (%)	24.90	32.24	20.66	24.05	27.86
Net Profit (PAT) / Total revenues (%)	17.34	20.85	13.03	12.90	18.33
Net Profit (PAT) / Average net worth (%)	13.77	16.97	10.77	13.02	26.82
ROCE (PBIT / Average capital employed) (%)	15.39	20.79	10.59	16.66	31.58
Ratios- Balance sheet					
Debt-equity ratio	-	-	0.027	0.061	0.055
Debtors turnover (Days)	79	87	99	106	96
Current ratio	3.34	2.61	3.09	3.46	2.78
Cash & cash equivalents / Total assets (%)	26.70	19.22	31.68	11.90	13.11
Cash & cash equivalents / Total revenue (%)	43.23	30.60	50.19	19.28	12.84
Depreciation / Average gross block (%)	7.37	8.68	10.35	11.38	11.13
Total Revenue / Average Net Fixed Assets	2.54	2.31	2.24	2.74	3.94
Total Revenue / Average Total Assets	0.66	0.65	0.68	0.84	1.19
Ratios - Growth*					
Export revenue (%)	14.42	(0.96)	30.22	25.24	62.93
Total revenue (%)	11.80	11.79	19.76	27.93	65.05
Operating expenses (%)	23.91	(4.53)	25.11	34.69	54.56
EBIDTA (%)	(13.63)	74.49	2.87	10.43	100.25
Net Profit (%)	(7.01)	78.89	21.01	(9.98)	129.22
Per Share Data					
Basic earnings per share (₹)	10.60	22.90	13.30	11.54	14.16
Cash Earnings per share (₹)	13.98	30.26	20.56	17.81	18.92
Book value (₹) **	81.67	145.24	124.91	120.02	59.27
Price / Earning, end of year	15.26	16.10	6.39	24.23	25.55
Price / Cash Earning, end of year	11.57	12.19	4.14	15.70	19.12
Price / Book value , end of year	1.98	2.54	0.68	2.33	6.10
Share price as on March 31 (National Stock Exchange)	161.75	368.85	85.00	279.70	361.80
No. of Share Outstanding as on March 31, (in Millions)	111.18	55.50	55.23	52.13	46.15
Dividend Per Share (₹)	1.25	2.00	1.50	1.20	1.13
Dividend (%)	25%	40%	30.0%	24.0%	22.5%

Figures are regrouped and reclassified where ever necessary.



Ratio Analysis - Consolidated as per Indian GAAP

Ratio analysis for the year ended March 31	2011	2010	2009	2008	2007
Ratio - Financial Performance					
Other Income / Total Revenue (%)	2.43	4.64	(3.42)	3.25	1.22
Employee cost / Total Revenue (%)	61.32	54.30	56.90	51.11	48.19
Operating & Administration expenses / Total Revenue (%)	21.44	20.22	25.78	28.17	29.93
Depreciation & Amortization / Total Revenue (%)	3.99	4.36	5.40	5.24	4.67
Financial Charges / Total Revenue (%)	0.13	0.31	0.47	0.53	0.27
TAX / PBT (%)	16.89	24.28	14.23	24.74	20.03
EBIDTA / Total Revenue (%)	17.24	25.48	17.33	20.72	21.88
Net Profit / Total Revenue (%)	11.47	17.10	10.75	12.28	15.23
Net Profit / Average Net Worth (%)	14.43	20.38	12.82	17.71	33.03
ROCE (PBIT / Average capital employed)	16.67	25.18	9.26	13.16	37.32
Ratios- Balance sheet					
Debt-equity ratio	—	0.00	0.03	0.06	0.09
Debtors turnover (Days)	83	96	108	118	108
Current ratio	3.51	2.80	2.93	3.10	2.83
Cash & Cash Equivalents / Total Assets (%)	27.62	20.74	32.88	14.24	17.90
Cash & Cash Equivalents / Total Revenue (%)	28.77	23.38	38.75	17.12	13.40
Depreciation & Amortization / Average gross block (%)	8.19	8.29	10.03	11.14	11.95
Revenue / Average Net Fixed Assets	3.64	3.09	3.36	3.79	5.25
Revenue / Average Total Assets	0.99	0.89	0.96	1.08	1.55
Ratios - Growth*					
Operating Revenue (%)	24.64	7.12	31.99	24.25	49.67
Operating Expenses (%)	35.29	3.17	28.35	30.95	44.60
EBIDTA (%)	(17.58)	70.86	3.24	20.12	73.90
Net Profit (%)	(18.25)	84.76	8.08	2.28	66.26
Per Share Data					
Basic earnings per share (₹)	12.56	30.88	17.36	16.90	18.22
Cash Earnings per share (₹)	16.93	38.74	25.18	23.43	23.69
Book value (₹)	92.58	163.76	139.48	128.99	63.74
Price / Earning, end of year	12.87	11.95	4.90	16.55	19.86
Price / Cash Earning, end of year	9.55	9.52	3.38	11.94	15.27
Price / Book value , end of year	1.75	2.25	0.61	2.17	5.68
Share price as on March 31 (National Stock Exchange)	161.75	368.85	85.00	279.70	361.80
No. of Share Outstanding as on March 31, (in Millions)	111.18	55.50	55.23	52.13	46.15
Bonus Issue	1:1				1:2
Dividend Per Share (₹)	1.25	2.00	1.50	1.20	1.125
Dividend (%)	25.00%	40.00%	30.00%	24.00%	22.50%

Per Share Data for FY 2010-11 are on ₹ 5 share

Figures are regrouped and reclassified where ever necessary.



Significant Milestones in the history of Infotech Enterprises Limited

1991	August	Infotech Enterprises was incorporated as a private limited company
1995	August	The company received its first ISO 9002 certification from BVQi London for its conversion services
1997	March	Re-organized as a public limited company; IPO of Equity shares at ₹ 20 per share and listed in all major stock exchanges in India
	April	Acquisition of SRG Infotech, a 16-year-old local software company providing software services in Oracle and Visual basic client server environments. The acquisition brought into the company the assets, customers, technologies, employees and over 500 person years of expertise
	October	Partner in Development with IBM for developing Enterprise wide Information System. Infotech Enterprises diversifies into Business software development by adding 50 developers, creating an independent profit centre
1998	December	Infotech Enterprises signs a break-through contract to provide GIS conversion, Consulting and Mapping services worth US\$ 5.5 million to Analytical Surveys, Inc. (ASI)
1999	January	Infotech Enterprises enters into an agreement with Navionics Italy the world leader in seamless marine electronic charts for digitization and Conversion services
	June	Infotech and ASI sign a long term contract for ASI to source US\$ 33 million in conversion and software services from Infotech Enterprises
	July	Infotech Enterprises establishes a wholly owned subsidiary Infotech Software Solutions Inc. in the United states of America in the state of California. The Corporation is primarily engaged in the business of supplying computer software and related services
	August	Infotech Enterprises announces acquisition of Europe based GIS software solution company- Dataview Solutions Limited. The company acquired Dataview with an upfront cash payment of US \$ 1.80 million and issue of stock of Infotech for US \$1.80 million over the next two years
	September	Infotech Enterprises acquires Cartographic Sciences Pvt. Mumbai- India from Analytical Surveys Inc. - US
	September	Infotech Enterprises receives an ISO 9001 for its software development services
	September	Infotech Enterprises earned the coveted Fast Track Award from Smallworld Pte. Ltd. U.K. for completion of a prestigious GIS project at Bharti Telenet Limited in a record time of five months
	November	Infotech Enterprises signed a shareholder agreement with Walden Nikko and GE Capital for issue of equity/optionally convertible debentures aggregating to 11,50,000 equity shares of ₹ 10 each at a price of ₹ 350 each
2000	January	Inauguration of the state-of-the-art software development centre spread across 1,30,000 sq.ft. area in Infocity- Hyderabad. The state-of-the-art development centre built at an approximate cost of ₹12 crore and can accommodate 4,000 software engineers
	April	Merger of Cartographic Sciences with the Company

Significant Milestones



2000	May	Infotech Enterprises enters into a Master Services Agreement with Pratt & Whitney, a division of United Technologies Corporation, a Fortune 100 company
	October	Infotech Enterprises announces the acquisition of a German company, Advanced Graphics Software GmbH (AGS). AGS is nine-year-old mechanical engineering software and services company specializing in 3D CAD/CAM
	November	Infotech Enterprises wins a multimillion dollar GIS project from the Dutch multi-national group, FUGRO
2001	April	Infotech Europe acquires European GIS distributor Map Centric - a leading independent GIS distributor in Europe
	May	Infotech Enterprises bags a contract worth US \$ 7 million to provide Photogrammetry service to Triathlon, a leading full fledged geomatics company in Canada
	May	Infotech Enterprises ranks 5th among Top Ten Exporters from Andhra Pradesh for the Year 2000-2001
	June	Infotech Enterprises acquires 10-acres of land to set up a software development campus at Manikonda, Hyderabad.
	July	Infotech Enterprises achieves the ISO 9001:2000 from BVQi and joins the list of top few companies in India and the first company in the GIS sector
	August	Infotech Enterprises attains the coveted SEI CMM LEVEL 4 certification for its software development centre at Infocity, Hyderabad
	November	Infotech Enterprises receives ISO 9001:2000 for Software and Engineering Services lines of business by BVQi London
	December	Infotech Enterprises announces the opening of the state-of-the-art Engineering services facility in Bangalore, India
2002	February	Infotech Enterprises Announces strategic business relationship with Pratt & Whitney Division of UTC. Pratt & Whitney to participate with up to ~18% equity stake in Infotech, demonstrating long term partnering intent and endorsing Infotech Business competence
	April	Infotech Enterprises achieves SEI CMM Level 5 for its Software Development & Services Division
	April	Infotech Enterprises' Board recommends issue of Bonus Shares at 1:1 ratio
	August	Infotech Enterprises bags a major GIS contract from KPN Telecom, the largest telecommunications company in the Netherlands, to provide spatial data management services.
	September	Company bags the Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI) Award for Best Information Technology (IT) Company in the state of Andhra Pradesh (2001-2002)
2003	April	Infotech Enterprises attains the best process improvement model-"The Level 5 of the CMMi Version 1.1 for the SW/SE/SS disciplines"

Significant Milestones



2003	September	Infotech Enterprises announces the inauguration of a new development center in Puerto Rico to provide engineering design services
	September	Infotech Enterprises signs long term outsourcing contact with Bombardier Transportation to provide Engineering Services in India
2004	January	Infotech Enterprises acquires VARGIS - a GIS Company in the US
	July	Change in Business Model. Verticalization brought into place
	September	Infotech Enterprises divests 51% of its stake in Infotech Aerospace Services Inc. in favour of United Technologies Corporation
	September	Infotech Enterprises conferred with BS 7799 standards
2005	March	Infotech Enterprises acquires Tele Atlas India Pvt. Ltd. Tele Atlas (Netherlands) joins as a strategic partner with preferential allotment of shares
	March	Infotech Enterprises opens branch office in Singapore
	April	Infotech Enterprises opens branch office in Melbourne, Australia
	May	Inaugurated Geospatial production facility at Frostburg, Maryland, USA
	July	Infotech Enterprises opens branch office in Dubai
	September	Wins a landmark GIS contract from KPN Telecom and also signs a 5-year major Engineering Design Agreement with Alstom Transport
	October	Completed 5 years of relationship with Pratt & Whitney
2006	March	Signs a major GIS contract with GE for Swisscom
	December	Infotech Enterprises opens branch office at Canada
2007	June	Acquires 74% stake in Geospatial Integra and renamed the company as Infotech Geospatial (India) Limited
	July	Preferential allotment of shares to GA Global Investments Limited & Carrier International Mauritius Limited
	August	Set up Infotech HAL Limited, a Joint Venture Company with HAL, a Navaratna PSU under the Ministry of Defence, at Bangalore
2008	October	Acquired TTM (India) Private Limited and TTM Inc; made foray into Hitech Vertical
	December	Established wholly owned subsidiary in Japan
2009	December	Infotech Enterprises opens branch office in Malaysia
2010	January	Infotech Enterprises signs a long term engineering services contract with Hamilton Sundstrand
	January	Acquired Daxcon Engineering Inc., USA (Step down subsidiary)
	August	Acquired Wellsco Inc., USA (Step down subsidiary)



FAQs

When was Infotech Enterprises Limited incorporated?

Infotech Enterprises Limited (the Company) was incorporated as a Private Limited Company on August 28th, 1991 under the Companies Act, 1956.

When did the Company convert itself into a Public Limited Company?

The Company was converted into a Public Limited Company vide resolution dated 21 April 1995.

Where is the Registered Office of the Company located?

The Registered Office of the Company is located at

4th Floor, 'A' Wing

Plot No. 11, Software Units Layout,

Infocity, Madhapur, Hyderabad - 500 081, A.P.

When did the Company have its Initial Public Offer (IPO) and at what price?

The Company made its maiden public offer in March 1997 at a price of ₹ 10 each for cash at a premium of ₹ 10 per share. The issue was lead managed by Industrial Development Bank of India (IDBI), Madras. The issue was oversubscribed by 1.56 times.

Who are the founder members of the Company?

The founder members of the Company are: Mr. B.V.R. Mohan Reddy, Mrs. B. Sucharitha, and Mr. K. Rajan Babu.

What is the Vision Statement of the Company?

Delivering Innovative Solutions together for a better future

What is the Mission Statement of the Company?

Provide the best technology services and solutions to Industry and Government worldwide

What is the Quality Policy of the Company?

To deliver innovative solutions that delight customers through deployment of robust processes.

What are the Quality Objectives of the Company?

- Delight customers through delivery excellence.
- Attract, train and retain talented professionals through active employee engagement.
- Deliver solutions / services based on cutting edge tools, technologies and methodologies.
- Continuous process improvement and achieve operational excellence.

What is the Background of the Company?

The company was promoted by Mr. B.V.R. Mohan Reddy and his associates and was incorporated as a Private Limited Company on August 28, 1991. The Company commenced commercial operations in September 1992. IDBI, the largest Financial Institution in India, sanctioned start-up assistance under the Venture Capital Scheme in 1991 for the Company's original project implementation. The original project envisaged creation of facilities for conversion of paper-based drawings into Computer Aided Design and Drafting (CADD) and Geographic Information Systems (GIS) formats and for developing other software products.

What is the history of Bonus issue of Shares at the Company?

Year	1994-95	1995-96	1996-97	2002-03	2006-07	2010-11
Bonus issue ratio	7 : 5	1 : 1	1 : 1	1:1	1:2	1:1

What is the Dividend History of the Company?

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Dividend (%)	22%	24%	12.5%	12.5%	15%	22.5%	22.5%	24%	30%	40%	25%

* On April 20, 2011, the Board of Directors of the Company recommended a post bonus dividend of 25% for the financial year 2010-11.



What is the Company's Business Mix?

The Company is engaged in providing global technology services and solutions specialising in geospatial, engineering design and IT solutions. The Company has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in United States of America (USA), United Kingdom (UK), Germany, Japan and India. The Company's range of services include digitization of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting and implementation. The Company's specializes in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

Is nomination facility available to the shareholders?

Yes. Nomination facility is available to the Shareholders under section 109A of the Companies Act, 1956. Shareholders are advised to make use of the nomination facility. For further details, investors may contact the R&T Agents of the Company.

What is the employee profile of the Company?

The employee strength at the Company as at March 31, 2011 is 8711 as compared to 7637 as at March 31, 2010. The resources have been distributed among the verticals in the following manner:

N&CE: 3714

Engineering: 4422

Support Functions: 575

What are the quality certifications that the Company has?

Infotech is certified by Bureau VERITAS Certification for compliance to ISO 9001:2008 (Quality Management Systems) and ISO 27001:2005 (Information Security Management Systems) at all locations.

The Aerospace Operating Unit is certified by UL DQS Inc for compliance to AS 9100 (Aerospace Quality Management Systems) covering Hyderabad & Bangalore locations. During the year 2010-11 it has upgraded its aerospace certification standard from AS 9100 Rev B to AS 9100 Rev C.

All operating groups in Infotech-UTC Division providing various Engineering Services and IT Software Development have been assessed at ACE Gold Level (highest level) by the Customer. ACE stands for Achieving Competitive Excellence and forms the Quality Operating System as authored by United Technology Corporation. Infotech has been appraised at level 3 as per the CMMi Dev version 1.2 for the software division of Engineering & Avionics divisions at Bangalore.

During FY 2010-11, the company's medical and rail practice groups have sustained and improved its compliance to ISO 13485:2003 (Medical Devices Quality Management System) and IRIS Rev 2 (International Railway Industry Standards) respectively.

How does a Shareholder go about transferring his shares/having related correspondence?

To transfer shares in physical form and general correspondence regarding shares, shareholders may write to the Company's Registrars/the Company -

Karvy Computershare Private Limited

Unit: Infotech Enterprises Limited
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad-500 081.
Tel : +91-40-23420818 & 23420828
Fax: +91-40-2342-0814
E-mail: madhusudhan@karvy.com /
mohsin@karvy.com
Web: www.karvy.com

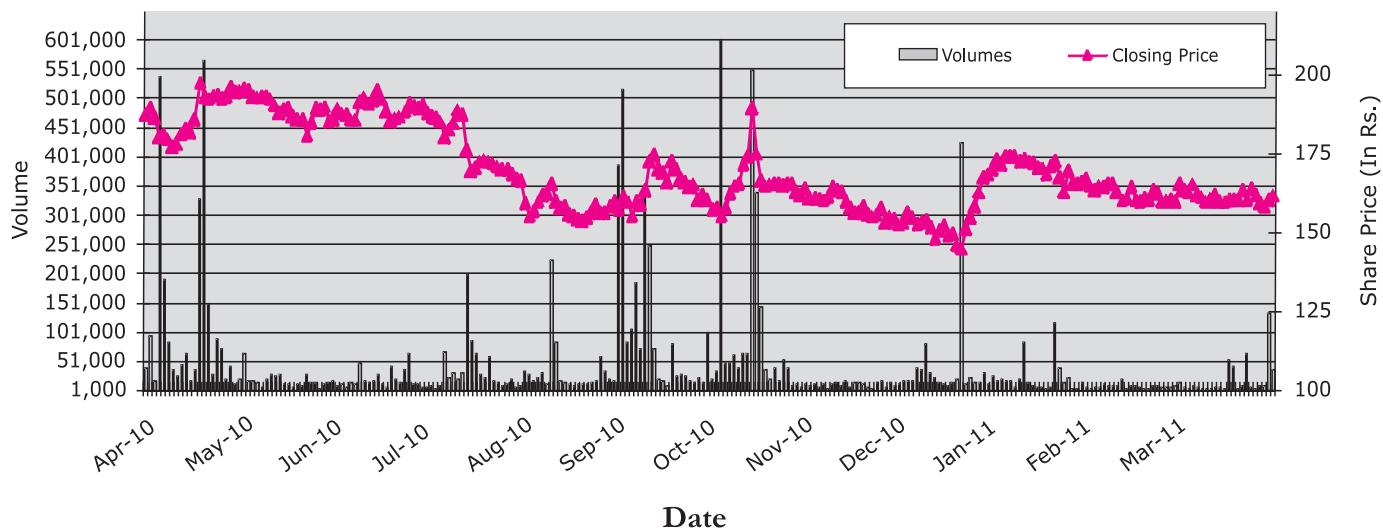
Mr. N. Ravi Kumar

Deputy Company Secretary
Infotech Enterprises Ltd.
4th Floor, A-wing, Plot No: 11
Software Units Layout, Infocity
Madhapur, Hyderabad - 500 081
Tel: +91-40 23124006
Fax: +91-40 66624368
E-mail: ravikumar.nukala@infotech-enterprises.com

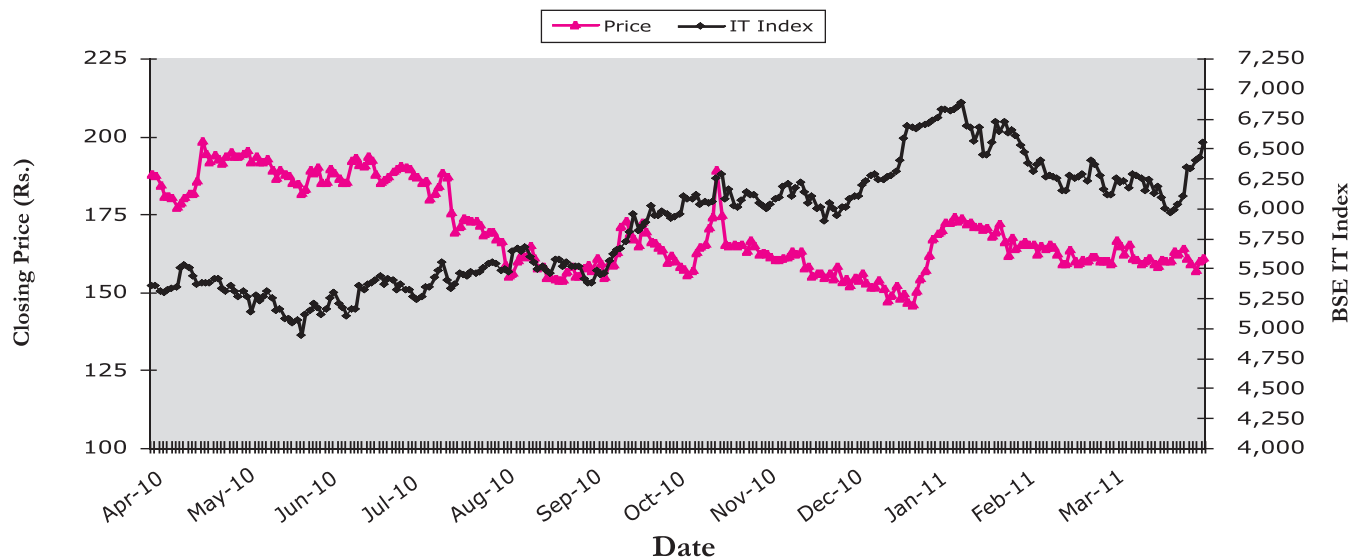
Transfer of shares in electronic form are effected through your depository participant. Please note that the Securities and Exchange Board of India has issued directives that trading in the scrip of the Company would be in compulsory demat form by all investors w.e.f. August 28, 2000.



Share Price Movements on The NSE from 01/04/10 to 31/03/11



Stock Price Movements Closing Price (BSE) Vs BSE IT Index 01/04/10 to 31/03/11



Infotech Management cautions that the stock price performance shown in the graphs above should not be taken to be indicative of the potential future stock price performance.

Shareholders/Investors Queries may be addressed to :

Mr. Sudheendhra Putty

Company Secretary

Infotech Enterprises Limited

4th Floor, 'A' Wing, Plot No: 11, Software Units Layout,

Infocity, Madhapur

Hyderabad - 500 081, India

Tel: +91-40 2312 4006

Fax: +91-40 6662 4368

E-mail: Sudheendhra.Putty@infotech-enterprises.com

Queries relating to financial statements of the Company may be sent to :

Mr. Ajay Aggarwal

Chief Financial Officer

Infotech Enterprises Limited

4th Floor, 'A' Wing, Plot No: 11, Software Units Layout,

Infocity, Madhapur

Hyderabad - 500 081, India

Tel: +91-40 2312 4004

Fax: +91-40 6662 4368

E-mail: Ajay.Aggarwal@infotech-enterprises.com



Technology Centres

India

Infotech Enterprises Ltd.

11, Software Units Layout,
Infocity, Madhapur,
Hyderabad - 500 081.
Tel: +91-40-23110357
Fax: +91-40-23110352

Infotech Enterprises Ltd.

Plot No. 2, IT Park,
Nanakramguda, Manikonda,
Hyderabad - 500 032.
Tel: +91-40-23139100
Fax: +91-40-23007340

Infotech Enterprises Ltd.

Katyayani Hi-Tech Complex,
13-1-61/64, Surya Rao Peta,
Main Road, Opp. Apollo Hospital,
Kakinada - 533 001.
East Godavari District, A.P.
Tel: +91-884-6661847

Infotech Enterprises Ltd.

Infotech IT Park,
Plot No. 110 A & 110 B,
Phase 1, Electronics City,
Hosur Road,
Bangalore - 560 100.
Tel: +91-80-28522341

Infotech Enterprises Ltd.

B-11, Sector 63,
Noida - 201 301.
Tel: +91-120-4161000

USA

Infotech Enterprises America, Inc.

(A Subsidiary of Infotech Enterprises Ltd.)
330 Roberts Street, Suite 102,
East Hartford, CT 06108.
Tel: +1-860-5285430
Fax: +1-860-5285873

Infotech Enterprises Electronic Design Services Inc.

(A Subsidiary of IEAI)
1190 Saratoga Avenue,
Suite 110, San Jose, CA 95129.
Tel: +1-408-213-0370
Fax: +1-408-213-0376

Wellsco, Inc.

(A Subsidiary of IEAI)
1707 Linwood Drive
Paragould, AR 72450
Tel: +1-870-236-1080
Fax: +1-870-239-9020

Infotech Enterprises America, Inc.

8001, N.University Street,
Peoria, IL-61607
Tel: +1-309-697-5975
Fax: +1-309-697-5976

Offices & Subsidiaries

India

Infotech Geospatial (India) Ltd.

11, Software Units Layout,
Infocity, Madhapur,
Hyderabad - 500 081.
Tel: +91-40-23110357
Fax: +91-40-23124098

Infotech Enterprises Information Technology Services Pvt. Ltd.

Plot No.42, Nagarjuna Hills,
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Tel: +91-40-23350932

Infotech Enterprises Ltd.

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Mumbai - 400 093.
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Tel: +1-571-313-1065
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Tel: +44-20-74040640
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Fax: +49-7152-9452-90

Infotech Enterprises GmbH

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Fax: +61-386011180

Infotech Enterprises Ltd.

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Malaysia

Infotech Enterprises Ltd.

Level 28, The Gardens South Tower,
Mid Valley City, Lingkaran Syed
Putra,
59200, Kuala Lumpur



Electronic Clearing Services (ECS) Mandate Format

To
 Karvy Computershare Limited
Unit : Infotech Enterprises Limited
 Plot No: 17 to 24, Vittal Rao Nagar
 Madhapur, Hyderabad - 500 081.

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND / INTEREST please fill-in the information in CAPITAL LETTERS and in ENGLISH ONLY.

Please TICK ☒ a wherever is applicable.

For shares held in physical form

Master Folio No.

For shares held in electronic form

DP ID
 Client Id

-----For Office Use Only-----

ECS
 Ref.No.

Note: On de-materialization of existing physical shares, for which you have availed ECS facility, this form needs to be re-submitted to your Depository Participant.

Name of First Holder: _____

Bank Name _____

Branch Name _____

Branch Code

(9 Digits Code Number appearing on the MICR band of the cheque supplied by the Bank) Please attach a xerox copy of a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account type

Savings

Current

Cash Credit

A/c No. (as appearing
 In the chequebook)

Effective date of this
 Mandate

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Karvy Consultants Limited, will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Company Name.

I further undertake to inform the Company any change in my Bank/branch and account number.

Date: _____

 (Signature of First holder)





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Infotech Enterprises Limited

Regd. Office: 4th Floor, 'A' Wing, Plot No: 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081

ATTENDANCE SLIP

Annual General Meeting on Wednesday, the 20th day of July, 2011 at 2:30 p.m.

Regd. Folio No.		*DP ID:	
No. of Shares held		*Client ID:	
Name of the Member			
Name of the Proxy			
Signature of the Member/Proxy			

I hereby record my presence at the Annual General Meeting of the Company held on Wednesday, the 20th day of July, 2011 at 2:30 p.m. at Bhaskara Auditorium, B.M. Birla Museum, Adarsh Nagar, Hyderabad - 500 063.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please sign here

If Proxy, Please sign here

Note : This form should be signed and handed over at the Meeting Venue. No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring copy of the Annual Report to the Meeting.

* Applicable for investors holding shares in electronic form.



Infotech Enterprises Limited

Regd. Office: 4th Floor, 'A' Wing, Plot No: 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081

PROXY FORM

Regd. Folio No.		*DP ID:	
No. of Shares held		*Client ID:	

I / We
of, being a Member / Members of
INFOTECH ENTERPRISES LIMITED hereby appoint of
or failing him of as my / our proxy to
attend and vote for me / us on my / our behalf at the Annual General Meeting at Bhaskara Auditorium, B.M. Birla Museum,
Adarsh Nagar, Hyderabad - 500 063 to be held on Wednesday, the 20th day of July, 2011 at 2:30 p.m. and at any adjournment
thereof.

As witness my/our hand(s) this day of 2011.

Signed by the said

**Affix
Fifteen
Paise
Revenue
Stamp**

NOTE: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

* Applicable for investors holding shares in electronic form.



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BEING WITH BOEING



Citation from Boeing – Category: Non-Production – *India-based Infotech Enterprises provides leading-edge engineering solutions that include product development and lifecycle support, process, network and content engineering. Infotech has supported a number of significant and critical Boeing Commercial Airplane projects, currently providing design and stress support on the 747-8 Freighter and Intercontinental and 787-8 and 787-9. Infotech provides a broad range of engineering skills and project management expertise to Boeing, specifically structures and stress engineering, design and stress analysis, damage tolerance analysis and software engineering. As a Boeing supplier partner, Infotech has implemented a system for sustaining best engineering practices through on-site engineers based in the company's Boeing Center of Excellence in Hyderabad, India. The 20-year old company is recognized for its responsiveness to Boeing's business needs and its ongoing efforts to design, analyze or automate the work it does for Boeing.*

IN WORLD-CLASS COMPANY



Global Headquarters: Infotech Enterprises Ltd., Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad – 500 081, India.
Tel: +91-40-2311 0357/8 Fax: +91-40-2310 0857

• Creating Business Impact • Providing Expert Solutions • Delivering Quality Consistently • Building Partnerships Globally

India • Canada • USA • UK • The Netherlands • Germany • France • Norway • Sweden • Denmark • Dubai • Singapore • Malaysia
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