



I n v e s t o r U p d a t e

Volume 3

Issue 4

January - March 2005

- Infotech's financial performance has been discussed on a consolidated Group basis in this document.*
- Infotech Group's operations comprise those of Infotech Enterprises Limited, its three overseas subsidiaries Infotech Enterprises Europe Ltd., U.K., (IEE), Infotech Software Solutions Inc, USA (ISSI) – along with ISSI's subsidiary VARGIS LLC, USA – and Advanced Graphics Software GmbH (AGS), Germany.*
- Starting October 1, 2004, Infotech Aerospace Services Inc., Puerto Rico (IASI) has ceased to be a subsidiary of the Company following the acquisition of 51% shareholding in IASI by United Technologies International Corporation (UTIC) w.e.f. September 30, 2004. Subsequently, Infotech has been consolidating its 49% share of profits from IASI's operations at the PAT level.*
- Infotech's standalone financial results have also been provided for reference in the last section of this update.*

Commenting on the fourth quarter results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, "Infotech closed FY 2005 with 37% growth in revenues, operating margin expansion of about 280 basis points and net profit of over three times that earned last year. These financial achievements reflect the greater value we now deliver to our global customers and we continue to make further progress towards achieving our assigned objectives.

In FY 2005, we have re-aligned our organization on vertical lines; integrated our Group operations completely and improved profitability of our subsidiaries; strengthened the relationships with our key customers; initiated several high potential engagements; reduced client concentration by divesting part stake in our Puerto Rican operations; and enhanced our offshore capability by adding infrastructure at Hyderabad and acquiring the offshore operations of Tele Atlas.

At present, we continue to optimize our previous investments to deliver growth in revenues and profitability and believe that we have in place the strategies to create ongoing value enhancements from our business."

Key Performance Highlights

Infotech Group: Consolidated Performance

Fiscal year 2005 review (April 2004 – March 2005 vs. April 2003 – March 2004)

- ✍ Operating revenues increased by 37.2% at Rs. 2571.3 million compared to Rs. 1874.7 million in the previous fiscal year.
- ✍ Operating profit higher by 60.9% at Rs. 469.7 million compared to Rs. 292.0 million. Operating margins higher by 270 basis points at 18.3%.
- ✍ Net profit after tax higher by 203.8% at Rs. 273.8 million compared to Rs. 90.1 million. Net margin higher at 10.6% from 4.8% in the previous fiscal year.
- ✍ Diluted EPS for FY2005 at Rs. 18.53 per share. The Infotech Board has recommended a dividend of Rs. 1.50 per share (15%) for FY 2005.

Sequential period analysis (January – March 2005 vs. October - December 2004)

- ✍ Operating revenues for the quarter at Rs. 651.7 million compared to Rs. 656.1 million in the sequentially preceding quarter.
- ✍ Operating profit in Q4 FY 2005 at Rs. 129.5 million compared to Rs. 137.7 million.
- ✍ Net Profit after tax at Rs. 76.4 million, higher by 28.6% on a sequential basis. PAT margin higher at 13.7% compared to 10.9% in the preceding sequential quarter.

Corresponding period analysis (January - March 2005 vs. January - March 2004)

- ✍ Operating revenues increased by 17.7% at Rs. 651.7 million compared to Rs. 553.8 million in the corresponding quarter of previous year.
- ✍ Operating profit higher by 58.0% at Rs. 129.5 million compared to Rs. 82.0 million in the corresponding quarter last year. Operating margins remained strong throughout the interim period to move up from 14.8% in Q4 FY 2004 to 19.9% in Q4 FY 2005.
- ✍ Net profit after tax higher by 334.9% at Rs. 89.2 million compared to Rs. 20.5 million.

Key business / operating highlights for FY 2005

- ✍ Infotech has re-aligned its operations by creating two highly focused, verticalized business segments. The Company now operates the UTG (Utilities, Telecom, Government) and EMI (Engineering, Manufacturing, Industrial Products) verticals. This structure has already enabled stronger customer relationships and greater business visibility that is backed by clearly defined responsibility matrices within Infotech.
- ✍ Infotech divested a majority 51% stake in its Puerto Rican subsidiary, Infotech Aerospace Services Inc. (IASI), to United Technologies Group company UTIC for US\$ 550,000. The effective date for the transaction was September 30, 2004. IASI had been set up in April 2003 to deliver export-controlled (defense sector) engineering services work for Pratt & Whitney, Infotech's largest customer. IASI's operations continue to expand following the transaction and contribute to Infotech's profitability.
- ✍ Infotech acquired Tele Atlas India Private Limited, the Indian subsidiary of Tele Atlas NV, for Rs 82.9 million (Euro 1.43 million) and entered into a long-term services agreement for providing Database and Software Solutions to Tele Atlas. As per the terms of the agreement, Tele Atlas will purchase from Infotech a minimum of 2.5 million hours of database creation and software development services over the next three years. Further, Infotech will issue equity shares to Tele Atlas not exceeding 3% (450,000 shares) of Infotech's current paid-up equity capital on a preferential basis at Rs. 278 per share, a 10% premium over the SEBI-stipulated price, subject to regulatory and shareholder approvals.
- ✍ 47 new clients acquired during the year: 31 in the UTG vertical and 16 in the EMI vertical.
- ✍ In February 2005, Infotech inaugurated a new 1,000-person, 120,000 sq. ft. facility adjacent to its existing development center in Madhapur, Hyderabad to increase its offshore development infrastructure.
- ✍ Infotech expanded its business presence in Asia-Pacific and Australia. With new offices in Singapore and Melbourne, the Company has further strengthened its global presence and delivery model.
- ✍ During the course of the year, Infotech strengthened its Board by appointing three independent Directors. P.N. Thirunarayana is a Professor of Marketing at IIM, Bangalore and a renowned authority in the areas of strategic sales and marketing, management of major accounts, marketing of services and business negotiations. George Fink is President & COO of Tele Atlas, the second client to be represented on Infotech's Board following Charles Ayer of Pratt & Whitney. Ranjan Chak, a senior member of Oak Ventures. He has a 20-year career in information technology and was instrumental in creating the ODCs run by HP and Oracle in India.
- ✍ 410 employees added during the year across the two vertical lines. Going forward, Infotech expects to continue its recruitment drive in line with business visibility. In addition, the acquisition of Tele Atlas India would add about 600 UTG resources taking Infotech beyond a level of 3,000 employees. In FY2005, Infotech allotted [145,908] equity shares to its employees' under the associate stock option scheme.

Financial Performance Review

INFOTECH ENTERPRISES LIMITED Consolidated Group Financial Performance

(Rs. Million)

Particulars	Q4 FY 2005	Q3 FY 2005	Q2 FY 2005	Q1 FY 2005	FY 2005	FY 2004	YoY Variance (%)
Operating Revenues	651.7	656.1	684.2	579.2	2571.3	1874.7	37.2
Operating Expenditure	522.1	518.4	560.8	500.3	2101.5	1582.7	32.8
- Employee cost	323.3	283.2	315.1	302.3	1223.9	921.7	32.8
- Travel expenses	54.6	54.9	62.9	58.0	230.3	204.0	12.9
- Purchases for resale	55.0	91.7	78.6	59.7	285.0	188.2	51.4
- Oprtg & admin exp	89.2	88.6	104.1	80.4	362.3	268.8	34.8
Operating Profit	129.5	137.7	123.5	79.0	469.7	292.0	60.9
<i>Operating Margins</i>	<i>19.9%</i>	<i>21.0%</i>	<i>18.0%</i>	<i>13.6%</i>	<i>18.3%</i>	<i>15.6%</i>	
Financial Expenses	0.4	0.3	1.2	0.6	2.5	3.8	-33.9
Depreciation & Amortization	38.9	38.1	45.3	45.0	167.3	206.7	-19.0
Other Income	4.9	(8.9)	14.4	29.1	39.4	34.8	13.3
Profit before Tax	95.3	90.4	91.3	62.4	339.3	116.3	191.7
Provision for Taxation	18.9	31.0	25.3	14.9	90.1	26.2	243.9
Profit after Tax	76.4	59.4	65.9	47.5	249.2	90.1	176.6
Share of IASI profit	12.8	11.8	-	-	24.6	-	
PAT incl. share of profits from IASI	89.2	71.2	65.9	47.5	273.8	90.1	203.8
<i>Net Margins</i>	<i>13.7%</i>	<i>10.9%</i>	<i>9.6%</i>	<i>8.2%</i>	<i>10.6%</i>	<i>4.8%</i>	

During FY 2005, Infotech delivered 37.2% growth in operating revenues. The Company created strong upsides in each reported quarter despite the divestment of the IASI business in the second half of the fiscal year. The IASI divestment provided cash inflows and reduced client concentration. Infotech maintains a 49% stake in that operation which continues to contribute to its profitability.

During Q4 FY 2005, operating revenues were lower by 0.7% compared to the preceding sequential quarter. Revenue growth was subdued as the U.S.-based UTG business subsidiary VARGIS faced some temporary bottlenecks. Some of its aerial photography related photogrammetry projects were deferred as a result of a harsh winter season.

Operating expenditure in FY 2005 increased by 32.8%. Expenditure as a proportion of revenues reduced from 84.4% to 81.7%.

During the year, employee cost increased by 32.8% over FY 2004 as Infotech added 410 employees. During FY 2005, employee cost reduced to 47.6% of operating revenues from 49.2% in FY 2004 as the business moved up the value chain. Employee cost was lower in the second half of the year following the divestment of IASI, a 90-person near shore operation at the time of its sale.

Travel expenses remained at lower levels in the second half of FY 2005 as employee movement to client locations reduced in line with the nature of projects delivered.

During FY 2005, purchases for resale costs increased by 51.4% compared to that in FY 2004. After peaking in Q3, cost of purchases was lower in Q4 FY 2005 as the contribution from projects involving bundling of third party software reduced. Such projects are primarily executed by Infotech's subsidiaries in the U.K. and Germany.

Operating and admin expenses were higher by 34.8% in FY 2005. In the first half of the year, Infotech incurred a one-time cost of Rs. 10.8 million due to the diminution in value of an investment made by its U.K. subsidiary and rationalization of its Mumbai operations. Further, the Company took a more conservative stance on its receivables while providing for bad debts.

During FY 2005, operating profit expanded by 60.9% to Rs. 469.7 million. Operating margin expanded from 15.6% in FY 2004 to 18.3% in FY 2005. Operating profit has moved up substantially over the last few quarters as the organization has shown strong revenue growth, derived greater contribution from higher value services and improved upon its resource utilization and productivity metrics. Operating margins averaged 20.0% in the second half of FY 2005.

Financial expenses remained at marginal levels in FY 2005 as Infotech maintained a debt-free, cash-surplus status in its business. Financial expenses are incurred on short-term working capital requirements.

The charge on profits for depreciation and amortization was lower by 19.0% in FY 2005. There was an ongoing reduction in the depreciation charged to profits in consecutive quarters throughout FY 2005 as additions to gross block were limited. Further, some of Infotech's assets have been fully charged off over the last few quarters.

Overall, other income in FY 2005 was 13.3% higher than the previous year. However, throughout the year other income was variable largely in line with the forex movement trend. Profit before tax (PBT) expanded by 191.7% in FY 2005 over the previous year at Rs. 339.3 million. PBT margin increased to 13.2% from 6.2%.

Provision for taxation during FY 2005 was higher by 243.9% at Rs. 90.1 million. The tax rate for the year was higher at 26.6% compared to 22.5% in FY 2004. While, some of Infotech's offshore facilities currently do not enjoy tax advantages available to new export-oriented units, having completed ten years of operations, some of its global subsidiaries have the cover

of accumulated losses in the near term. Going forward, Infotech's development facility at Madhapur in Hyderabad would provide added tax efficiencies. The tax rate in Q4 FY 2005 was lower compared to the previous sequential quarter as excess provisions made earlier in the year were adjusted.

Net profit for FY 2005 (including share of profits from IASI's operations) was higher by 203.8% at Rs. 273.8 million. PAT was impacted by the higher tax rate in FY 2005. Net profit has been growing by significant margins every quarter since Q4 FY 2004. In Q4 FY 2005, net profit expanded by 29.6% on a sequential quarter basis. Infotech's share of profits from IASI's operations (Rs. 13.0 million during Q4 FY 2005) has also continued to expand, further adding to profitability.

PAT margin was at 10.6% in FY 2005 compared to 4.8% in FY 2004. During Q4 FY 2005, net margin was higher at 13.7% as tax rate for the quarter reduced.

INFOTECH ENTERPRISES LIMITED
Consolidated Group Financial Performance

(Rs. Million)

Particulars	Q4 FY 2005	Q3 FY 2005	QoQ Variance (%)	Q4 FY2004	YOY Variance (%)
Operating Revenues	651.7	656.1	-0.7	553.8	17.7
Operating Expenditure	522.1	518.4	0.7	471.8	10.7
- Employee cost	323.3	283.2	14.2	251.1	28.7
- Travel expenses	54.6	54.9	-0.5	54.5	0.3
- Purchases for Resale	55.0	91.7	-40.0	100.5	-45.3
- Oprtg & admin exp	89.2	88.6	0.7	65.8	35.6
Operating Profit	129.5	137.7	-5.9	82.0	58.0
<i>Operating Margins</i>	<i>19.9%</i>	<i>21.0%</i>		<i>14.8%</i>	
Financial Expenses	0.4	0.3	18.1	0.9	-60.6
Depreciation & Amortization	38.9	38.1	2.0	55.8	-30.4
Other Income	4.9	-8.9	155.3	12.3	-60.0
Profit before Tax	95.3	90.4	5.4	37.6	153.3
Provision for Taxation	18.9	31.0	-39.1	17.1	10.4
Profit after Tax	76.4	59.4	28.6	20.5	272.5
Share of IASI profit	12.8	11.8	8.4	0	
PAT incl. share of profits from IASI	89.2	71.2	25.2	20.5	334.9
<i>Net Margins</i>	<i>13.7%</i>	<i>10.8%</i>		<i>3.7%</i>	

Group Financial Performance

Each operating entity in the Infotech Group delivered strong revenue growth in FY 2005. During Q4 FY 2005, revenues in Infotech Software Solutions Inc. (ISSI), Infotech's U.S. subsidiary were lower as its UTG business faced some temporary bottlenecks as aerial photography related to photogrammetry projects was deferred due to a harsh winter season. Such deferment also impacted overall revenue performance for the Infotech Group. The current backlog of orders is expected to provide strong business growth from the U.S. subsidiary in the subsequent quarter.

(Rs. Million)

Group revenue analysis	Q4 FY 2005	Q3 FY 2005	Q2 FY 2005	Q1 FY 2005	FY 2005	FY 2004	YoY Variance (%)
Infotech Enterprises Ltd	421.9	393.1	383.0	340.0	1538.0	1245.4	23.5
Infotech Ent. Europe Ltd	150.7	113.8	94.6	87.3	446.4	301.5	48.1
Infotech Software Solutions*	191.5	254.6	241.7	197.2	885.0	526.3	68.2
Advanced Graphics Software	98.4	80.6	67.6	31.8	278.3	87.8	217.0
Infotech Aerospace Services Inc.	-	-	69.9	39.7	109.6	56.9	92.5
Gross revenues	862.5	842.1	856.7	696.0	3257.3	2217.9	46.9
Less: Intra group revenues	(210.8)	(186.0)	(172.5)	(116.8)	(686.0)	(343.2)	-
Net revenues	651.7	656.1	684.2	579.2	2571.3	1874.7	37.2

* Includes VARGIS

During FY 2005, all operating entities within the Infotech Group except ISSI delivered significant growth in profitability. A significant contribution to overall profitability expansion during FY 2005 came from the turnaround in Infotech's U.K. subsidiary – Infotech Enterprises Europe (IEE). IEE closed the year with a profit of Rs. 28.7 million, of which Rs. 15.8 million was earned in Q4 FY 2005..

(Rs. million)

Group profit analysis	Q4 FY 2005	Q3 FY 2005	Q2 FY 2005	Q1 FY 2005	FY 2005	FY 2004	YoY Variance (%)
Infotech Enterprises Ltd	71.9	49.4	61.4	40.5	223.2	122.1	82.8
Infotech Enterprises Europe Ltd.	15.8	11.1	1.3	0.5	28.7	(56.1)	151.1
Infotech Software Solution Inc.*	(9.5)	2.4	12.2	12.0	17.1	38.0	-55.0
Advanced Graphics Software GmbH	2.3	3.8	3.9	(3.4)	6.6	0.1	7273.6
Infotech Aerospace Services Inc.	-	-	12.2	4.4	16.6	17.4	-4.6
Group Profit	80.5	66.7	90.9	54.0	292.2	121.5	140.6
Less: Goodwill/others	(4.2)	(7.4)	(25.0)	(6.4)	(43.0)	(31.4)	-
Profit after Tax	76.3	59.4	65.9	47.6	249.2	90.1	176.7
Add: Share of profits from IASI	12.8	11.8	-	-	24.6	-	-
PAT (including share of IASI's profits)	89.2	71.2	65.9	47.6	273.8	90.1	204.0

* Includes VARGIS

Revenue Analysis

47 new clients were added during FY 2005: 31 in UTG and 16 in EMI.

(Rs. million)

Vertical Segment	Q4 FY 2005	Q3 FY 2005	Q2 FY 2005	Q1 FY 2005	FY 2005
Utilities, Telecom, Government (UTG)	271.8	277.1	234.0	241.5	1024.4
Engineering, Manufacturing, Industrial Products (EMI)	380.3	381.0	458.1	337.4	1556.8
Less: Inter vertical sales	0.4	1.9	7.8	-	10.1
Total	651.7	656.1	684.3	579.1	2571.2

UTG Vertical Update

In the UTG vertical space, Infotech's offerings include geo-spatial data services (data conversion services as well as Photogrammetry services) and geospatial technical services (implementation services on GIS platforms and GIS software development).

With the acquisition of Tele Atlas India, Infotech has expanded its offshore delivery capability. Revenues from Tele Atlas could also be expected to expand in FY 2006, given the commitments provided by the customer.

The delivery infrastructure now offers multi-location options to customers and enables increased offshore delivery risk management. Infotech also has onshore facilities in the U.K. and U.S. (through VARGIS' operations) to deliver on contracts for its UTG customers.

Infotech's UTG business growth was impacted to some extent in Q4 FY 2005 due to the deferment of some of VARGIS's Photogrammetry contracts, as discussed in the previous section. This is seen as a temporary situation and the subsequent quarter could be expected to show growth in related revenues.

EMI Vertical Update

In the EMI vertical, Infotech offers engineering services, such as CAD / CAM / CAE services, to several leading global players. It also provides IT services such as SAP implementation apart from embedded systems and technical publications.

During FY 2005, Infotech's EMI business had several significant achievements. The relationship with United Technologies was strengthened further following the divestment of the majority stake in the near shore delivery operation in Puerto Rico. This operation has delivered strong profitability and is expected to expand significantly over the next two years. This is based on the planned expansion of export-controlled engagements with Pratt & Whitney, joint marketing initiatives for similar engagements with other constituents of the United Technologies Group (UTG) as well as third parties. Infotech's engagement with Pratt & Whitney now extends to more regional locations, including Asia Pacific.

Infotech's Strategic Business Initiatives (SBI) Group has been focused on engaging other UTG companies in the EMI space. Successes during FY 2006 have led to strong traction with Carrier and further business opportunities with other constituents of the Group.

The engagement with Bombardier Transportation in the rail systems space also continued to expand during FY 2005. Apart from expanding the relationship in this vertical, Infotech is looking to explore aerospace opportunities with Bombardier, leveraging its existing competencies. Infotech has also engaged several other leading players globally in the aerospace vertical during FY 2006.

Infotech has also explored competency creation across new vertical segments such as HVAC (Heating, Ventilation, Air-conditioning), elevators and retail. Apart from engaging new customers, the focus is also on productivity improvements, better project management, exhaustive training modules and maintaining the highest levels of delivery across all projects.

(Rs. million)

Geography	Q4 FY 2005	Q3 FY 2005	Q2 FY 2005	Q1 FY 2005	FY 2005	FY 2004
North America	343.4 (52.7)	422.6 (64.4%)	499.9 (73.0%)	428.5 (74.0%)	1694.4 (65.9%)	1396.9 (74.5%)
Europe	280.2 (43.0%)	205.7 (31.4%)	170.2 (24.9%)	129.7 (22.4%)	785.8 (30.6%)	416.7 (22.2%)
Asia/ Australia	28.1 (4.3%)	27.9 (4.2%)	14.2 (2.1%)	21.0 (3.6%)	91.2 (3.5%)	61.1 (3.3%)
Total	651.7 (100.0%)	656.1 (100.0%)	684.3 (100.0%)	579.2 (100.0%)	2,571.3 (100.0%)	1,874.7 (100.0%)

Revenues from North America grew by 21.5% in FY 2005. The revenues from North America region were lower during the second half of the year on account of divestment

During FY 2005, Europe showed strong business growth, based on the strong performance from the U.K. subsidiary. Revenues from this region grew by 89.1% during the year to contribute 30.6% of Infotech's business. Expansion in Europe / Asia created greater geographical diversification in the business.

Concentration	Q4 FY 2005	Q3 FY 2005	Q2 FY 2005	Q1 FY 2005	FY 2005	FY 2004
Top 5	53.2%	49.0%	56.0%	57.0%	49.3%	40.0%
Top 10	64.7%	61.0%	67.0%	67.0%	60.2%	58.0%
Others	36.4%	39.0%	33.0%	33.0%	39.8%	42.0%

Client concentration reduced in the second half of FY 2005 as more new clients come in. Pratt & Whitney continued to deliver strong volumes while the ex-Pratt business from United Technologies has also shown some improvement. The relationships with British Telecom and Bombardier delivered strong traction during the year. Going forward, Tele Atlas could be expected to show strong expansion, given the volume commitment made by the customer. Overall, during the year, business traction from emerging accounts has been positive.

Human resources

Business-wise Breakup	31 Mar 2005	31 Dec 2004	30 Sep 2004	30 Jun 2004
Utilities, Telecom, Government (UTG)	1138	1188	1020	1066
Engineering, Manufacturing, Industrial, Products (EMI)	1209	1131	1196	1036
Support Functions	85	81	75	63
Total	2432	2400	2291	2165

Group distribution analysis	31 Mar 2005	31 Dec 2004	30 Sep 2004	30 Jun 2004	31 Mar 2004
Infotech Enterprises Limited, India	2269	2240	2036	1969	1881
Infotech Enterprises Europe Ltd., U.K.	21	22	23	23	22
Infotech Software Solutions Inc., U.S.A.	125	125	126	119	106
Advanced Graphics Software GmbH, Germany	17	13	16	13	13
Infotech Aerospace Services Inc. Puerto Rico	-	-	90	41	-
Total	2432	2400	2291	2165	2022

Infotech Enterprises Limited: Standalone Performance

Fiscal Year 2005 review (April 2004 – March 2005 vs. April 2003 – March 2004)

Operating revenues grow 23.5% from Rs. 1245.4 million to Rs. 1538 million.

Operating profit at Rs. 382.9 compared to Rs. 294.8 million.

Net profit after tax at Rs. 223.0 million compared to Rs. 122.1 million.

Sequential period analysis (January – March 2005 vs. October – December 2004)

Operating revenues for the quarter at Rs. 421.9 million, up 7.3% compared to Rs. 393.1 million in the previous sequential quarter.

Operating profit at Rs. 106.2 million compared to Rs. 110.3 million.

Net Profit after tax at Rs. 71.7 million compared to Rs. 45.3 million, growth of 70.5%.

Corresponding period analysis (January – March 2005 vs. January – March 2004)

Operating revenues for the quarter up 30.5% at Rs. 421.9 million compared to Rs. 323.2 million in Q4 last year.

Operating profit higher by 35.5% at Rs. 106.2 million compared to Rs. 78.4 million in Q4 last year.

Net profit after tax at Rs. 71.7 million compared to Rs. 26.9 million.

INFOTECH ENTERPRISES LIMITED
Standalone Indian Company Performance

(Rs. Million)

Particulars	Q4 FY 2005	Q4 FY 2004	QoQ Variance (%)	FY 2005	FY 2004	YoY Variance (%)
Operating Revenues	421.9	323.2	30.5	1538.0	1245.4	23.5
Operating Expenditure	315.7	244.8	29.0	1155.1	950.6	21.5
- Employee cost	170.1	123.3	38.0	619.8	467.8	32.5
- Travel expenses	45.3	44.4	2.0	189.5	176.7	7.2
- Oprtg & admin exp	100.3	77.1	30.1	345.8	306.1	13.0
Operating Profit	106.2	78.4	35.5	382.9	294.8	29.9
<i>Operating Margins</i>	<i>25.2%</i>	<i>24.3%</i>	-	<i>24.9%</i>	<i>23.7%</i>	-
Financial Charges	0.6	0.7	-12.1	1.1	2.3	-51.5
Depreciation & Amortization	27.6	38.4	-28.2	124.1	160.5	-22.7
Other Income	6.1	(2.7)	-325.0	35.4	12.4	185.3
Profit before Tax	84.1	36.6	129.8	293.1	144.4	103.0
Provision for Taxation	12.4	9.7	27.8	70.1	22.3	214.2
Profit after Tax	71.7	26.9	166.6	223.0	122.1	82.7

INFOTECH ENTERPRISES LIMITED

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CONSOLIDATED FINANCIAL RESULTS UNDER INDIAN GAAP FOR THE QUARTER AND YEAR ENDED 31-MAR-05

(Rs. In Lakh)

Sl. No.	Particulars	Three Months Ended 31-Mar-05 (Audited)	Three Months Ended 31-Mar-04 (Audited)	Year Ended 31-Mar-05 (Audited)	Year Ended 31-Mar-04 (Audited)
1	Sales	6,517	5,538	25,713	18,747
2	Other Income	49	123	394	348
3	Total Income	6,566	5,661	26,107	19,095
4	Total Expenditure (a + b + c + d)	5,221	4,718	21,014	15,827
a	Staff Cost	3,233	2,511	12,239	9,217
b	Travel Expenses	546	544	2,303	2,040
c	Purchase for resale	550	1,005	2,850	1,882
d	Operating & Administrative Expenses	892	658	3,622	2,688
5	Profit before interest, depreciation & tax (PBIDT)	1,345	943	5,092	3,268
6	Financial Expenses	4	9	25	38
7	Depreciation & Amortization	389	558	1,673	2,067
8	Profit before Taxation	952	376	3,394	1,163
9	Provision for Taxation	214	196	1,090	461
10	Deferred Taxation	(26)	(25)	(189)	(199)
11	Profit after Taxation	764	205	2,493	901
12	Share of Profit from JV (IASI)	128	-	246	-
13	Profit After Share of Profits	892	205	2,739	901
14	EPS - Basic	6.06	1.40	18.69	6.20
	EPS - Diluted	5.98	1.39	18.53	6.14
	(On par value of Rs. 10 per share)				

Notes

- The above Consolidated Financial Results have been prepared in accordance with Accounting Standard 21 issued by The Institute of Chartered Accountants of India
- The consolidated Financial Results represent those of Infotech Enterprises Limited and its wholly owned subsidiaries viz. M/s Infotech Enterprises Europe Limited, UK; Infotech Software Solutions Inc., USA and Advanced Graphics Software GmbH, Germany upto 31.03.05 and for Infotech Aerospace Services Inc., upto 30th September 2004.
- Consequent to disinvestment of 51% equity in Infotech Aerospace Services, Inc.,(IASI) w.e.f 1st October 2004, the company's share of profits from IASI have been disclosed separately as per AS 23 and hence the quarterly financials are not strictly comparable.
- Corresponding previous period figures have been regrouped / reclassified wherever necessary.

About Infotech Enterprises Ltd.

Infotech Enterprises (BSE: INFOTECENT, NSE: INFOTECENT) is a thirteen-year old leading Indian software services company with core competencies in the areas of GIS, engineering design and IT services. Its range of services includes Digitization of drawings and maps, Photogrammetry, CAD / CAE, Design and Modeling, Repair Development engineering, Reverse engineering, Application Software Development, Software Products Development, Consulting and Implementation. The company specializes in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets with over 2300 software professionals globally.

The company has its headquarters and development facilities in India and serves a global customer base through subsidiaries in the UK (Infotech Enterprises Europe), Germany (Advanced Graphics Software GmbH), USA (Infotech Software Solutions, Inc.) Infotech has also developed a strategic partner network to serve markets in Europe, Japan, Australia, the Middle East and the Asia-Pacific region.

Infotech Enterprises is an SEI CMMi Maturity Level 5 company and is also certified to ISO 9001:2000 quality standards. It is a public listed company and has attracted globally reputed equity investors like Pratt & Whitney.

Forward Looking Statement

Some of the statements contained within this report may be forward-looking in nature and may involve risks and uncertainties. Actual results and outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to, management of growth, market acceptance of Company's products and services, risks associated with new product versions, dependence on third party relationships and the activities of competitors.

If you have any questions or require further information please contact as below:

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