

Independent Auditor's Review Report on quarterly and Year-to-date unaudited consolidated financial results of 3i Infotech Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF 3I INFOTECH LIMITED

1. We were engaged to review the accompanying Statement of unaudited consolidated financial results of **3i Infotech Limited** ("the Parent"), its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its joint venture for the quarter ended June 30, 2024 ("the statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") read with circular (Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019) issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. The Statement includes the results of the following entities:

Sr. No.	Subsidiaries reviewed:
1	3i Infotech Consultancy Services Limited
2	3i Infotech Digital BPS Limited
3	Professional Access Software Development Private Limited
4	3i Infotech Inc
5	3i Infotech Holdings Private Limited
6	3i Infotech (Middle East) FZ LLC
7	3i Infotech Software Solutions LLC
8	3i Infotech (Thailand) Limited
9	Versares BPS Private Limited
10	NuRe EdgeTech Private Limited
11	NuRe FutureTech Private Limited
12	NuRe CampusLabs Private Limited
Sr. No.	Subsidiaries not reviewed:
1	3i Infotech Asia Pacific Pte Limited
2	3i Infotech SDN BHD
3	3i Infotech Saudi Arabia LLC
4	3i Infotech (UK) Limited
5	3i Infotech (Africa) Limited
6	3i Infotech (South Africa) (Pty) Limited
7	3i Infotech Nigeria Limited
8	3i Infotech Netherlands B.V
9	3i Infotech (Canada) INC
10	3i Infotech (Cyprus) Limited (formerly known as Black-Barret Holdings Limited)
11	3i Infotech (Western Europe) Group Limited
12	3i Infotech (Western Europe) Holdings Limited
13	Rhyme Systems Limited
14	NuRe Digital SDN BHD
15	NuRe MediaTech Limited
16	NuRe Bharat Network Limited
17	NuRe EdgeTech INC, USA
18	NuRe Infotech Solutions Pte. Limited, Singapore
Sr. No.	Joint Venture not reviewed
1	Process Central Limited, Nigeria- Joint Venture



5. Attention is drawn to the fact that the figures for the three months ended March 31, 2024 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

6. Disclaimer of Conclusion

In view of the significance of the matters described in paragraph 7 below and the uncertainties involved, we have not been able to obtain sufficient and appropriate evidence and therefore, unable to conclude as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Basis for Disclaimer of Conclusion

- a) As depicted in Note No. 3 of the consolidated financial results, the holding company's Board had set up a Legacy Committee as a Sub – Committee of the Audit Committee, to evaluate and address all long outstanding legacy related matters, after evaluating the reports of Sub Committee, the Board of Directors of the Holding Company at its meeting held on January 31, 2024, decided to initiate Forensic Audit for legacy issues, of which completion is still pending. In the absence of outcome of the Forensic Audit, we are unable to comment on the possible consequential effects thereof, if any, on the consolidated financial results.
- b) The intangible assets amounting to INR 4,454.80 lakhs, were capitalized during the previous year. However, the holding company's management had on the basis of internal evaluation made a loss allowance of INR 2,193.18 lakhs in the previous financial year ended as on March 31, 2024. In the absence of sufficient and appropriate evidence, we are unable to comment on the recoverability of balance carrying value amounting to INR 1,639.41 lakhs in the consolidated financial results.
- c) In the standalone financial statements of the subsidiary 3i Infotech Holdings Private Limited (Mauritius), for the previous year ended as on March 31, 2023, the component auditor has qualified the opinion that the Company's functional currency is US Dollars while its presentation currency is Mauritian Rupees. The foreign exchange gains / losses arising on translation from functional to presentation currency, for current and previous years, have been recognized in the Statement of Profit or Loss and in Retained Earnings rather than in "Other Comprehensive Income ("OCI") and Foreign Currency Translation Reserves ("FCTR"). This constitutes a departure from IAS 21. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of FCTR and the amount that should have been recorded in OCI because management did not provide us with the



relevant workings. Consequently, we were unable to determine the adjustments needed to these items.

We are unable to determine the possible impact & consequential effects on the consolidated financial results of the Group in respect of the above matter.

8. Material Uncertainty regarding Going Concern

There are certain subsidiaries wherein the component auditors have opined on material uncertainty regarding going concern, however the financial statements of the respective subsidiaries are prepared on a going concern basis:

- **3i Infotech Asia Pacific Pte Limited** - for which, in the audited financial statements of Financial year March 31, 2023, the Company's current liabilities exceeded its current assets by S\$1,086,361 and recorded a negative cash outflow from operating activities of S\$444,001. As stated in the said note, these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to continue as going concerns also depend on the undertaking of its immediate and ultimate holding company. However, we are unable to obtain sufficient appropriate audit evidence to conclude whether the use of the going concern assumption to prepare the financial statements is appropriate as management's assumption are premised on future events, which the outcome of which are inherently uncertain.

The financial statements have been prepared on the assumptions that the Company will continue as going concerns. If the Company are unable to continue in operational existence for the foreseeable future, and the Company may be unable to discharge their liabilities in the normal course of business, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

- **3i Infotech (UK) Limited**, for which, in the audited financial statements of Financial year March 31, 2023, the current and future reduced trading has had an adverse effect on the company's operations and cash flow. As stated in the said note, these events or conditions, along with other matters as set forth in the note indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

9. Other Matters

We have reviewed the interim financial information of 7 subsidiaries included in the statement, whose interim financial information reflects total revenue of INR 4,827.37 Lakhs, total net profit



after tax of INR 54.43 Lakhs and total comprehensive income of INR 79.99 Lakhs for the quarter ended June 30, 2024.

We did not review the interim financial information of 5 subsidiaries included in the statement, whose interim financial information reflects total revenue of INR 8,106.65 Lakhs, total net profit after tax of INR 80,637.85 Lakhs and total comprehensive income of INR 80,637.85 Lakhs for the quarter ended June 30, 2024. The interim financial information of these subsidiaries has been reviewed by their respective independent auditors. The independent auditors' reports on financial information of these subsidiaries have been furnished to us and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph 4 above.

Certain of these subsidiaries are located outside India whose financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been reviewed by other auditor's under generally accepted accounting standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company.

We did not review the interim financial information of 18 subsidiaries and 1 Joint venture included in the statement, whose interim financial information reflects total revenue of INR 1,012.92 Lakhs, total net profit/(loss) after tax of INR 184.58 Lakhs and total comprehensive income/(loss) of INR 184.58 Lakhs for the quarter ended June 30, 2024. These unaudited financial information have been furnished to us by the Board of Directors and our conclusion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim Financial Statements are not material to the Group.

For GMJ & Co
Chartered Accountants
FRN: 103429W



CA Madhu Jain
Partner
Membership No.: 155537
UDIN: 241555 37BKCR RP7071
Place: Mumbai
Date: August 14, 2024



CONSOLIDATED



3i Infotech Limited (CIN: L67120MH1993PLC074411)

Regd. office: Tower # 5, International Infotech Park, Vashi Station Complex, Navi Mumbai 400703, Maharashtra, India.

Email: investors@3i-infotech.com

Website: www.3i-infotech.com

Tel No.: 022-7123 8000

Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024

(Rupees in Lakhs)

	Particulars	Quarter Ended			Year Ended
		30-06-2024 (Unaudited)	31-03-2024 (Unaudited)	30-06-2023 (Unaudited)	31-03-2024 (Audited)
I	Revenue from Operations	17,975	19,704	19,438	81,388
II	Other Income	364	78	3	332
III	Total Income (I+II)	18,339	19,782	19,441	81,720
IV	Expenses				
(a)	Employee benefits expense	13,933	14,275	13,626	57,689
(b)	Cost of third party products and services	2,109	3,717	4,102	17,337
(c)	Finance costs	208	236	236	1,009
(d)	Depreciation and amortization expense*	690	767	536	2,715
(e)	Other expenses	1,942	3,482	2,127	10,459
(f)	Loss allowance	-	2,193	-	2,193
	Total Expenses (IV)	18,882	24,670	20,627	91,403
V	Profit / (Loss) before Forex loss / (gain) and Tax (III-IV)	(543)	(4,888)	(1,186)	(9,683)
VI	Foreign exchange loss/(gain) (net)	64	(261)	(67)	(4,950)
VII	Profit / (Loss) before Exceptional Items and Tax (V-VI)	(607)	(4,627)	(1,119)	(4,733)
VIII	Exceptional Item - Expense / (Income)	-	5,184	290	23,663
IX	Profit / (Loss) before Tax (VII-VIII)	(607)	(9,811)	(1,409)	(28,396)
X	Tax expense	246	97	150	1,431
XI	Profit / (Loss) for the period (IX-X)	(853)	(9,908)	(1,559)	(29,827)
XII	Profit/(loss) for the year from Discontinued Operations	-	-	-	-
XIII	Other Comprehensive Income				
	A.(i) Other Comprehensive income not to be reclassified to profit and loss	(12)	(18)	(16)	(17)
	(ii) Income tax relating to items that will not be reclassified to profit and loss.	(9)	(34)	-	(36)
	B.(i) Other Comprehensive income will be reclassified to profit and loss	(35)	(247)	(116)	(5,068)
	(ii) Income tax relating to items that will be reclassified to profit and loss.	-	-	-	-
XIV	Total Comprehensive income for the period (XI+XII+XIII)	(909)	(10,208)	(1,691)	(34,948)
	Profit for the year attributable to:				
	Equity holders of the parent	(853)	(9,908)	(1,559)	(29,827)
	Non-controlling interests	-	-	-	-
	Other Comprehensive Income for the year attributable to :				
	Equity holders of the parent	(56)	(300)	(132)	(5,121)
	Non-controlling interests	-	-	-	-
	Total comprehensive income for the year attributable to:				
	Equity holders of the parent	(909)	(10,208)	(1,691)	(34,948)
	Non-controlling interests	-	-	-	-
XV	Paid-up equity share capital (Face value of Rs.10 per share)	16,924	16,923	16,847	16,923
XVI	Earnings per equity share (Rs.)				
	Basic EPS (on Profit/ (Loss) for the period-Continuing Operations)	(0.50)	(5.87)	(0.93)	(17.69)
	Diluted EPS (on Profit/ (Loss) for the period-Continuing Operations)	(0.50)	(5.87)	(0.93)	(17.69)



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Notes:

- 1 The consolidated financial results of the Company for the quarter ended June 30, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 14, 2024.
- 2 During the quarter, upon exercise of stock options under Employee Stock Option Scheme 2018, the Company has allotted in aggregate 33,000 (Thirty three thousand) equity shares to its eligible employees.
- 3 Post the sale of product business carve-out from the company in 2021, the new management had appointed various consultants and advisers to evaluate all long outstanding matters. Thereafter, based on the recommendations of new management, in September 2022, the Board had set up a Legacy Committee as a Sub - Committee of the Audit Committee, to evaluate and address all long outstanding matters. In the absence of sufficient supporting documents the company tried reaching across its former directors/Key Managerial Personnel (KMP). Due to unavailability of information the necessary provision is recognized in the financial statements. Further, in its board meeting held on 31 January 2024, the Board of the Company decided to initiate Forensic Audit with respect to the aforesaid legacy matters.
- 4 The figures of the quarter ended 31 March 2024 are the balancing figures between audited figures for the financial year and unaudited published for the nine months ended 31 December 2023.
- 5 Figures for the previous period have been regrouped/rearranged wherever necessary to conform to the presentation of the current period.
- 6 The results for the quarter ended June 30, 2024 are available on BSE Limited's website (www.bseindia.com), National Stock Exchange of India Limited's website (www.nseindia.com) and on the Company's website (www.3i-infotech.com).
- 7 The disclosure in respect of standalone financials are as under:

Particulars	(Rupees in Lakhs)			
	Quarter Ended			Year Ended
	30-06-2024 (Unaudited)	31-03-2024 (Unaudited)	30-06-2023 (Unaudited)	31-03-2024 (Audited)
Net Sales/Income from Operations	8,977	9,183	8,278	35,733
Profit/(Loss) before unwinding of discount under Ind AS109 & Tax	(1,600)	(5,255)	(1,904)	(42,134)
Profit / (Loss) Before Tax (Before exceptional items)	(900)	(4,564)	(1,240)	(39,403)
Profit (Loss) for the period (After exceptional items)	(900)	(4,564)	(1,530)	(81,863)
Total comprehensive income for the period	(946)	(4,732)	(1,546)	(82,037)

By order of the Board
for 3i Infotech Limited

Uttam Prakash Agarwal
Uttam Prakash Agarwal
Chairman



Navi Mumbai
August 14, 2024



CONSOLIDATED



3i Infotech
LIMITLESS EXCELLENCE

3i Infotech Limited (CIN: L67120MH1993PLC074411)

Regd. office: Tower # 5, International Infotech Park, Vashi Station Complex, Navi Mumbai 400703, Maharashtra, India.

Email: investors@3i-infotech.com

Website: www.3i-infotech.com

Tel No.:022-7123 8000

Unaudited Consolidated Segment Information for the quarter ended June 30, 2024

		Quarter Ended			Year Ended
		30-06-2024 (Unaudited)	31-03-2024 (Unaudited)	30-06-2023 (Unaudited)	31-03-2024 (Audited)
1	Segment Revenue				
	ES	5,777	6,421	5,458	24,801
	PS	6,545	7,254	8,666	33,802
	VBU	5,653	6,029	5,315	22,785
	Total Net Sales/Income From Operations	17,975	19,704	19,438	81,388
2	Segment Results (Gross Profit)				
	ES	710	1,331	848	3,703
	PS	754	(472)	826	1,716
	VBU	116	(85)	(170)	(1,371)
	Total	1,580	774	1,504	4,048
Less:					
(i)	Finance cost (including unwinding of discount under Ind AS 109)	208	236	236	1,009
(ii)	Unallocable expenditure net of unallocable income	1,980	5,165	2,387	7,772
(iii)	Exceptional items	-	5,184	290	23,663
	Total Profit Before Tax	(607)	(9,811)	(1,409)	(28,396)

The 3i Infotech group executive management examines the group performance on the basis of its business units and has identified Enterprise Services (ES) (Digital IT Infrastructure Services , Business Process Outsourcing and e Governance Consulting Services), Professional Services (PS) (Staff Augmentation Services) and Value Business Unit (VBU) (Private/ Public cloud services) as primary segments. The segment results have been arrived at before allocating certain expenses which are unallocable in nature and are disclosed separately.

The segment results for the comparative periods have been prepared based on the segments identified above.

"Unallocable expenditure net of unallocable income" includes unallocated overheads, foreign exchange loss/(gain) (net), Other income, Depreciation and amortization expense, Unwinding of discount under Ind AS 109 on Fair Valuation of Preference Shares.



Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Standalone Financial Results of 3i Infotech Limited pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF 3I INFOTECH LIMITED

1. We were engaged to review the accompanying statement of unaudited standalone financial results of **3i Infotech Limited** ("the Company") for the quarter ended June 30, 2024 ("the Statement"), being submitted by the company pursuant to requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").
2. This statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended March 31, 2024 as reported in these unaudited standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



5. Disclaimer of Conclusion

In view of the significance of the matters described in paragraph 6 below and the uncertainties involved, we have not been able to obtain sufficient and appropriate evidence and therefore, unable to conclude as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Basis for Disclaimer of Conclusion

- a) As depicted in Note No. 3 of the standalone financial results, the Board had set up a Legacy Committee as a Sub – Committee of the Audit Committee, to evaluate and address all long outstanding legacy related matters. After evaluating the reports of Sub Committee, the Board of Directors of the Company at its meeting held on January 31, 2024, decided to initiate Forensic Audit for legacy issues, the completion of which is still pending. There is no major change in the status of this matter since March 31, 2024.

The Company has made an application to the Reserve Bank of India (RBI) for set – off of the long outstanding liability/payables to foreign branch in Dubai/3i Infotech (Middle East) FZ LLC towards purchase of Intellectual property rights (IPR) against its trade receivables from 3i Infotech Inc, 3i Saudi Arabia and 3i Africa.

Pending the outcome of Forensic Audit and RBI Approval on conservative and prudent basis:

- the Company has made a loss allowance of INR 33,555.12 lakhs on the basis of internal evaluation in the previous financial year ended as on March 31, 2024, for the long outstanding balances and carried forward the net receivable balance on account of trade receivables, loans & interest of INR 7,737.85 lakhs from its various foreign subsidiaries.
- the Company has carried net investment in 3i Infotech Holdings Private Limited, a wholly owned subsidiary, amounting to INR 10,104.36 lakhs in Equity Shares and INR 71,759.31 lakhs in Redeemable Preference Shares after providing for loss allowance on the basis of internal evaluation, of INR 42,170.13 lakhs in the previous financial year ended as on March 31, 2024.
- the Company has presented all the legacy outstanding balances of its receivable of INR 7,737.85 lakhs, investments of INR 81,863.66 lakhs and payable of INR 1,08,097.21 lakhs relating to its wholly owned subsidiaries as a single line item in the Financial Results of INR 18,495.70 lakhs under “Legacy related liabilities and assets.”

All the above said balances pertains to earlier period and does not pertain to current quarter ended on June 30, 2024.

We are unable to comment upon the possible consequential effects of Forensic Audit initiated by the current management, carried forward balances and the appropriateness of the presentation of the receivables/investments and payables on the standalone financial results.



- b) The intangible assets amounting to INR 4,454.80 lakhs, were capitalized during the previous year. However, the company's management had on the basis of internal evaluation made a loss allowance of INR 2,193.18 lakhs in the previous financial year ended as on March 31, 2024. In the absence of sufficient and appropriate evidence, we are unable to comment on the recoverability of balance carrying value amounting to INR 1,639.41 lakhs in the standalone financial results.

For GMJ & Co
Chartered Accountants
FRN: 103429W

M. Jain

CA Madhu Jain
Partner
Membership No.: 155537
UDIN: 241555 37BKCR RQ3626
Place: Mumbai
Date: August 14, 2024



STANDALONE



3i Infotech Limited (CIN: L67120MH1993PLC074411)

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Website: www.3i-infotech.com

Tel No.: 022-7123 8000

Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2024

(Rupees in Lakhs)

	Particulars	Quarter Ended			Year Ended
		30-06-2024 (Unaudited)	31-03-2024 (Unaudited)	30-06-2023 (Unaudited)	31-03-2024 (Audited)
I	Revenue from Operations	8,977	9,183	8,278	35,733
II	Other Income (excluding unwinding of discount under Ind AS 109 on Fair Valuation of Investment in Preference Shares)	162	355	90	846
III	Total Income (I+II)	9,139	9,538	8,368	36,579
IV	Expenses				
(a)	Employee benefits expense	5,228	5,208	3,748	18,609
(b)	Cost of third party products and services	3,495	3,239	4,169	15,816
(c)	Finance costs (excluding unwinding of discount under Ind AS 109 on fair valuation of preference shares)	194	204	217	872
(d)	Depreciation and amortization expense	611	698	502	2,482
(e)	Other expenses	1,104	1,560	1,324	6,138
(f)	Loss allowance	-	3,617	-	37,337
	Total Expenses (IV)	10,632	14,525	9,960	81,254
V	Profit / (Loss) before Forex loss / (gain) and Tax (III-IV)	(1,493)	(4,987)	(1,592)	(44,675)
VI	Foreign exchange loss/(gain) (net)	107	268	312	(2,541)
VII	Profit / (Loss) before Tax (V-VI)	(1,600)	(5,255)	(1,904)	(42,134)
VIII	Unwinding of discount under Ind AS 109 on fair valuation of preference shares	(700)	(691)	(664)	(2,731)
IX	Profit / (Loss) before Exceptional Items and Tax (VII-VIII)	(900)	(4,564)	(1,240)	(39,403)
X	Exceptional Item - Expense / (Income)	-	-	290	42,460
XI	Profit / (Loss) before Tax (IX-X)	(900)	(4,564)	(1,530)	(81,863)
XII	Tax expense	-	-	-	-
XIII	Profit / (Loss) for the period (XI-XII)	(900)	(4,564)	(1,530)	(81,863)
XIV	Profit/(loss) for the year from Discontinued Operations				
XV	Other Comprehensive Income				
	A.(i) Other Comprehensive income not to be reclassified to profit and loss	(46)	(168)	(16)	(174)
	(ii) Income tax relating to items that will not be reclassified to profit and loss.	-	-	-	-
	B.(i) Other Comprehensive income will be reclassified to profit and loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss.	-	-	-	-
XVI	Total Comprehensive income for the period (XIII+XIV+XV)	(946)	(4,732)	(1,546)	(82,037)
XVII	Paid-up equity share capital (Face value of Rs.10 per share)	16,924	16,923	16,847	16,923
XVIII	Earnings per equity share (Rs.)				
	Basic EPS (on Profit for the period-Continuing Operations)	(0.53)	(2.70)	(0.91)	(48.52)
	Diluted EPS (on Profit for the period-Continuing Operations)	(0.53)	(2.70)	(0.91)	(48.52)
	Basic & Diluted EPS (on Profit for the period-Discontinued Operations)	-	-	-	-
	The below EPS is calculated on Profit for the period before unwinding of discount under Ind AS 109				
	Basic EPS (on Profit for the period before unwinding of discount under Ind AS 109)	(0.95)	(3.11)	(1.30)	(50.16)
	Diluted EPS (on Profit for the period before unwinding of discount under Ind AS 109)	(0.95)	(3.11)	(1.30)	(50.16)



STANDALONE

Notes:

- 1 The standalone financial results of the Company for the quarter ended June 30, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 14, 2024.
- 2 During the quarter, upon exercise of stock options under Employee Stock Option Scheme 2018, the Company has allotted in aggregate 33,000 (Thirty three thousand) equity shares to its eligible employees.
- 3 Post the sale of product business carve-out from the company in 2021, the new management had appointed various consultants and advisers to evaluate all long outstanding matters. Thereafter, based on the recommendations of new management, in September 2022, the Board had set up a Legacy Committee as a Sub - Committee of the Audit Committee, to evaluate and address all long outstanding matters. In the absence of sufficient supporting documents the company tried reaching across its former directors/Key Managerial Personnel (KMP). Due to unavailability of information the necessary provision is recognized in the financial statements.
These inter-company issues, their current status and its accounting impact is explained below:
A. The Company has an outstanding liability payable towards purchase of Intellectual property rights (IPR), since 2012 to its foreign branch in Dubai/3i Infotech (Middle East) FZ LLC amounting to INR 1,06,638.84 Lakhs. The liability towards purchase of IPR was not settled by the Company within the time limit prescribed under FEMA Regulations and the company had approached Reserve Bank of India (RBI) in 2013 through authorized dealer to extend the timeline for repayment of the aforesaid liability till March 31, 2017.
Not being able to settle the liability even by 2017, the Company had thereafter made an application to the Reserve Bank of India (RBI), through its authorized dealer vide letter dated March 05, 2019 and subsequently on October 23, 2020, for set – off of the liability/ payables to foreign branch in Dubai/ 3i Infotech (Middle East) FZ LLC of INR 1,06,638.84 Lakhs against its trade receivables then due from 3i Infotech Inc, 3i Saudi Arabia and 3i Africa of INR 39,233.00 Lakhs, INR 11,347.00 Lakhs and INR 3,046.00 Lakhs respectively. The Company has not received the RBI approval as at the balance sheet date.
B. The Company is also carrying certain long outstanding receivables from various foreign subsidiaries amounting to INR 40,856.77 Lakhs as at 30th June 2024. During the previous year- F.Y. 23-24, considering the current market scenario and low operations in many of the subsidiaries, and even though the Company has a net payable position with respect to the receivables and payables balances of its subsidiaries, the Company recognized a loss allowance amounting to INR 33,555.12 Lakhs in the previous financial year on a conservative and prudent basis. The net balance outstanding from subsidiaries (net off provisions) is INR 7,301.65 Lakhs.
C. The Company had made investments in Equity and Redeemable Convertible Preference Shares of 3i Infotech Holdings Private Limited in Mauritius between 2006-07 to 2011-12. The gross carrying value of the Company's investments in this foreign subsidiary as at 30 June 2024 is INR 1,24,033.79 Lakhs. During the previous F.Y. 23-24, the Company recognized a provision for diminution in value of investments of INR 42,170.13 Lakhs. The net outstanding balance of investment in this subsidiary is INR 81,863.66 Lakhs.
The Company had not been able to meet its obligation of payment of INR 1,06,638.84 Lakhs to its foreign branch in Dubai/3i Infotech (Middle East) FZ LLC, consequently leading to a cascading effect of 3i Infotech FZLLC not being able to payback amount due to 3i Infotech Inc. and 3i Infotech Holdings Pvt Ltd in Mauritius. Further, it has had a cascading effect of 3i Infotech Inc. not being able to redeem the preference shares issued by it to 3i Infotech Holdings Pvt Ltd. In view of the non-realization of the preference shares in 3i Infotech Inc and the loan to 3i Infotech FZLLC, 3i Infotech Holdings Pvt Ltd has not been able to redeem the preference shares of 3i Infotech Limited. Thus, effectively non-payment of the obligation of INR 1,06,638.84 Lakhs by the Company to its foreign branch in Dubai/3i Infotech (Middle East) FZ LLC has led to the non-realization of the preference shares invested in by the Company. Further, in its board meeting held on 31 January 2024, the Board of the Company decided to initiate Forensic Audit with respect to the aforesaid legacy matters.
There is no major change in the quantum of investments/receivables and payables from/to these subsidiaries since 2012. It has always been the intention to settle the receivables and payables on a net basis, subject to the legal and the regulatory approvals. During the previous F.Y. 23-24, impairment provisions have been made against receivables and investments on a prudent and conservative basis in view of the delay in obtaining the legal and regulatory approvals. As and when such approvals are received in future, the estimate of the recoverable amounts will be suitably revised.
- 4 The figures of the quarter ended 31 March 2024 are the balancing figures between audited figures for the financial year and unaudited published for the nine months ended 31 December 2023.
- 5 Figures for the previous period have been regrouped/rearranged wherever necessary to conform to the presentation of the current period.
- 6 The results for the quarter ended June 30, 2024 are available on BSE Limited's website (www.bseindia.com), National Stock Exchange of India Limited's website (www.nseindia.com) and on the Company's website (www.3i-infotech.com).

Navi Mumbai
August 14, 2024

By order of the Board
for 3i Infotech Limited

Uttam Prakash Agarwal
Chairman

