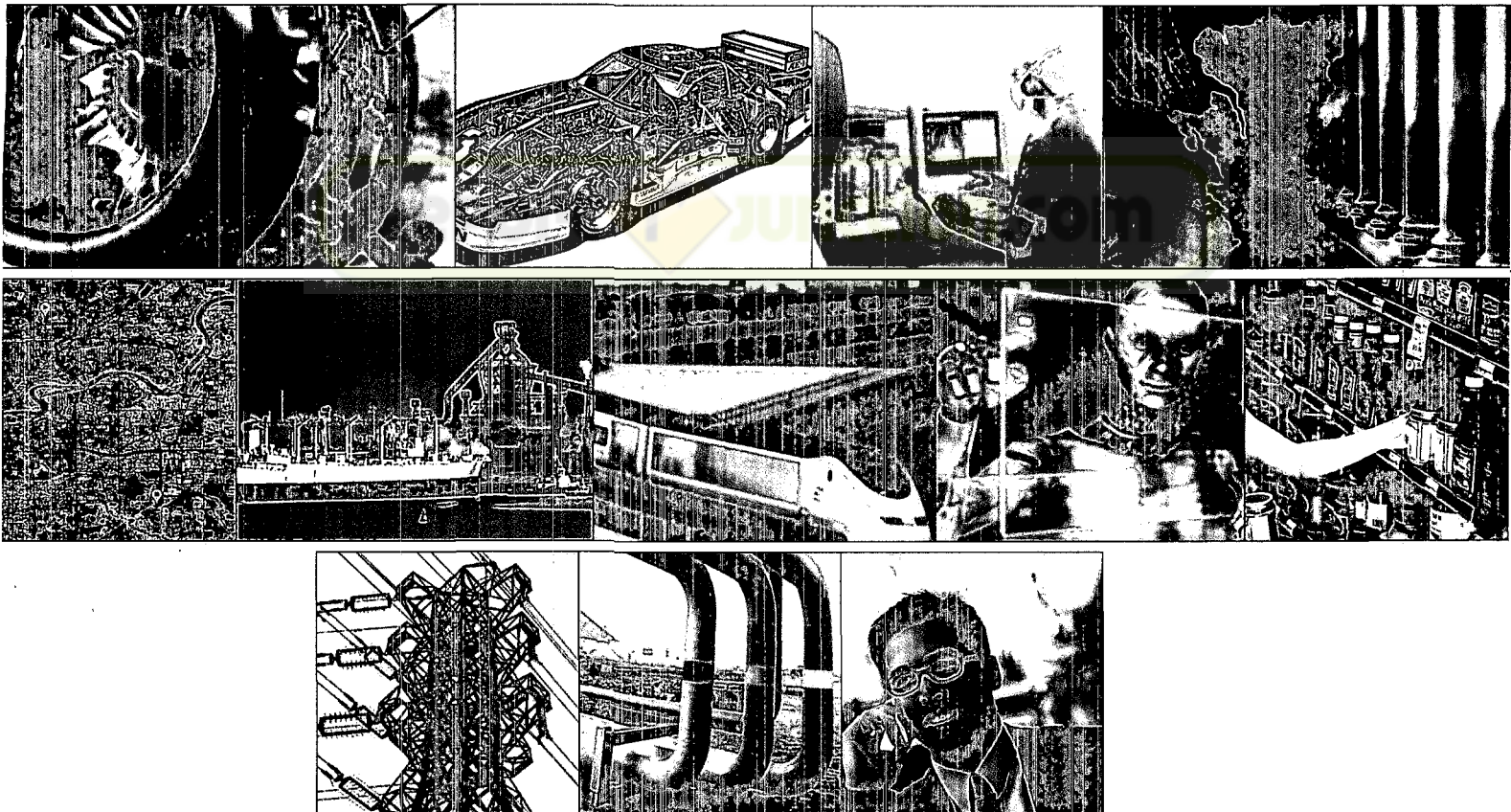
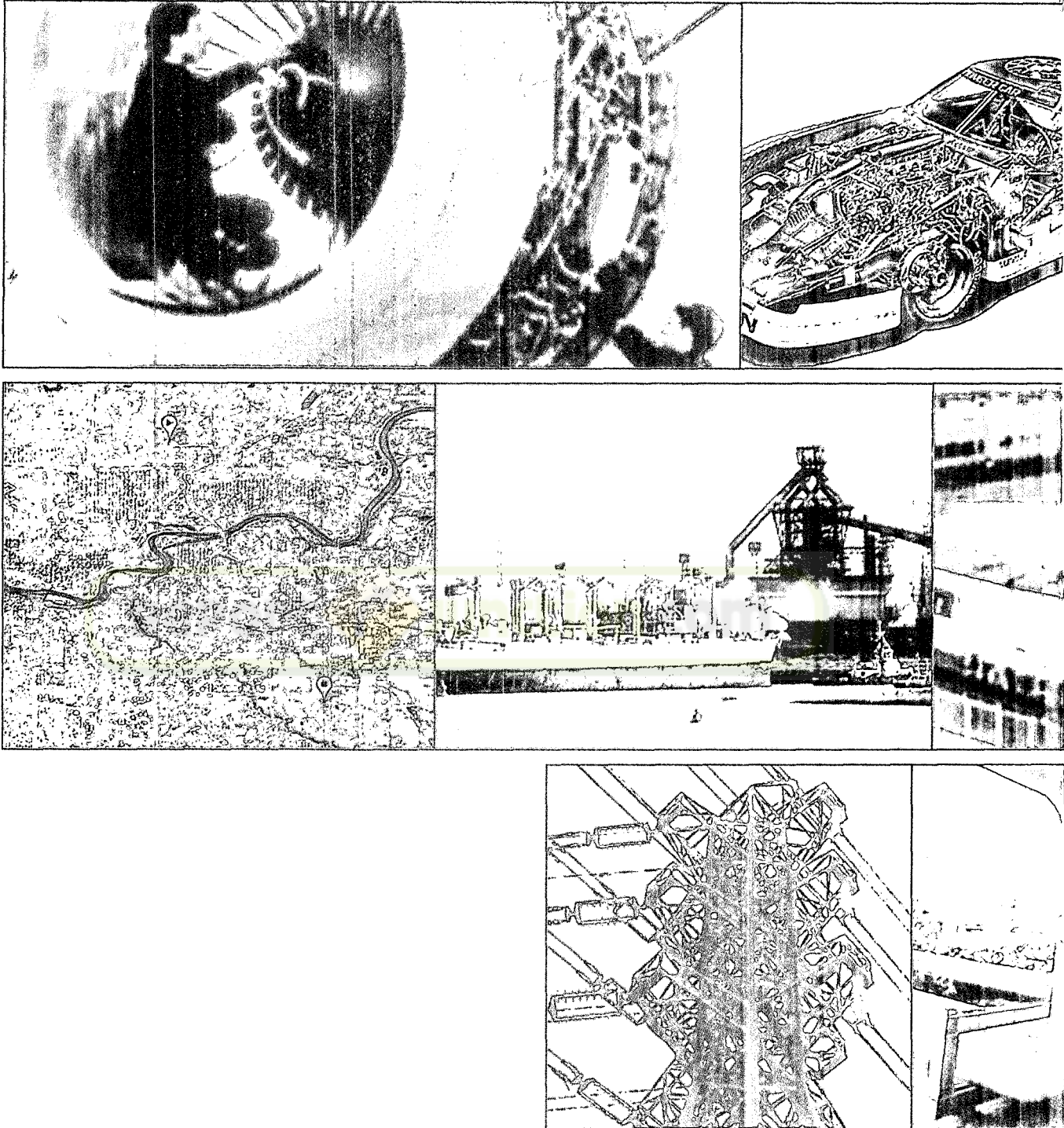


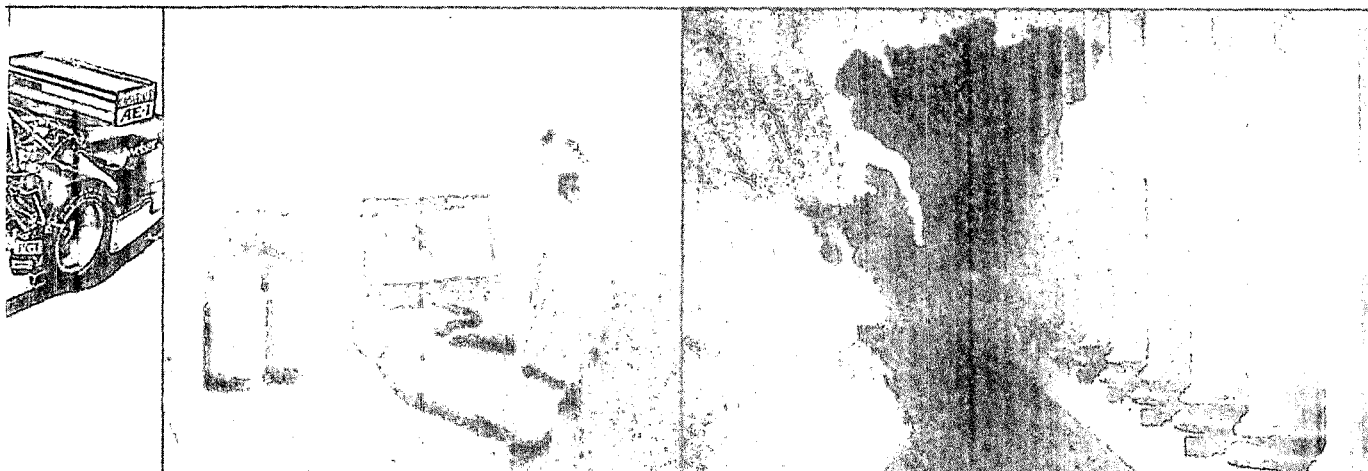


"DELIVERING INNOVATIVE SOLUTIONS TOGETHER FOR A BETTER FUTURE"



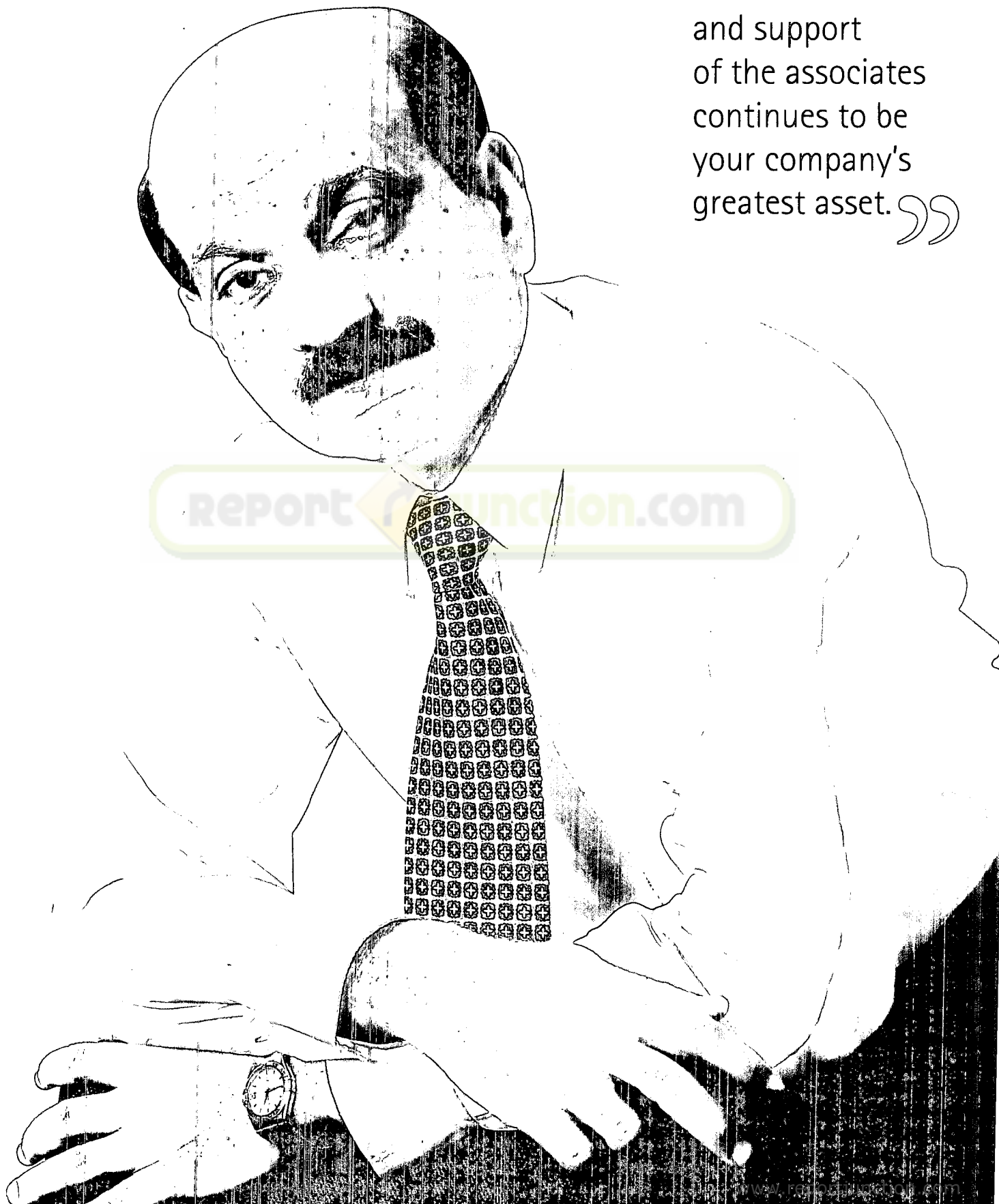
17th ANNUAL REPORT 2007-2008





"Innovation is the key to our success. By working together as teams and also with our customers, we strive to develop solutions for the betterment of mankind."

“The immense
commitment
and support
of the associates
continues to be
your company's
greatest asset.”



Chairman's Message

Dear Shareholders,

We created many milestones during the financial year 2007-08 in your company, Infotech Enterprises Limited (IEL). We have forged ahead in business from strength to strength despite the volatility prevalent in the environment. Our strong fundamentals, customer focus and growing global partnerships enabled us achieve a Profit before Tax (PBT) of over Rs. 1,000 million for the first time in the company's history. We achieved Gross revenues of Rs. 6,741 million (USD 167.5 million).

Our growth rates have been over 40% per annum during the past three years - our operating revenues for the financial year 2007-08 were 40% higher at USD 167.5 million and 24.3% higher in Indian Rupee terms at Rs. 6,741.30 million. I am also glad to inform you that the revenues from our Engineering Services business crossed the USD 100 million mark - over Rs. 4,000 million. The PBT was at Rs. 1,041 million. The operating profit for the year was at Rs. 1,219.70 million while net profit was over Rs. 855.70 million.

All wholly owned subsidiaries of IEL have achieved commendable revenues and profits. Infotech Enterprises GmbH, Germany, achieved a growth in revenue of 42.2% over last year. Infotech Enterprises America Inc., USA achieved a growth in revenue of 36.2% over last year. The European geography contributed 46.1% and North American geography contributed 45.9% of the operating revenues and the rest coming from the AIMA (Asia, India, Middle East and Australia) regions.

Our consistent performance has always been a cynosure of all investors. We made a preferential allotment of shares to General Atlantic Partners (GAP) and Carrier International Mauritius (CIM), a part of the United Technologies Corporation (UTC) Group. The total cash inflow on account of these two strategic investments in the company was about Rs. 3,000 million which would be utilized for the company's future growth. Consequent to the preferential allotment of shares to GAP and CIM and exercise of stock options by the associates, the overall capital base has grown to 52,127,999 shares which yielded an Earnings per Share (EPS) of Rs. 16.90 (Basic) and Rs. 16.69 (Diluted).

Expansion of service offerings

I am pleased to report a marked increase in revenue from new service offerings both in EMI (Engineering, Manufacturing and Industrial Products) and UTG (Utilities, Telecom and Government) verticals. We will continue to make investments to improve the breadth of our service offerings in our existing verticals to maximize the value we deliver to our customers. The new service offerings from EMI include Mold Engineering Competencies, Ship conversion services, Patent Search and Complete Value Analysis of products and added more services to our rail sub vertical. We also established technology solutions group in FPGA, Wireless and DST domains in EMI vertical. The new service offerings for utilities include, Open SCADA, OMS and Compliance Solutions for Telecom - OSS and BSS.

Strategic Partnerships

Towards preparing ourselves to tap existing and emerging opportunities, we have invested in strategic partnerships and powerful tie-ups. We forged a 50-50 joint venture with Hindustan Aeronautics Limited (HAL), a Navaratna enterprise under the Ministry of Defence, Government of India. HAL is India's largest aircraft manufacturing organization. This joint venture, Infotech HAL Limited (IHL) enables us to undertake design services work in the field of aero-engines, viz., Aero thermo and mechanical design, structural, stress, thermal and rotor dynamic analysis, aeronautics, computational fluid dynamics, combustion studies, preparation of digital mock up, testing and analysis, control system design and development and IT support. IHL will also undertake engineering as well as after-market engineering and support work, i.e., repair design, service bulletins, testing, performance analysis, maintenance monitoring and IT support, in support of aero-engines. IHL would also offer engineering services work in the areas of technical publications and work under offset programmes from various original equipment manufacturers.

Chairman's Message

With respect to our GIS business, IEL acquired a 74% stake in Geospatial Integrated Solutions Pvt. Ltd., now renamed Infotech Geospatial (India) Ltd. (IGIL). This strategic investment allows us to gain business and visibility in the Indian and Middle East markets. The announcement of the National Map policy and the increasing demand of maps of states and cities prove right in terms of timing of this venture.

In a lateral move, we got into a tie-up with Continental Data Graphics (CDG) - an arm of Boeing for developing Technical publications. The growing global demand for Aircraft should enable this tie-up to generate substantial revenues in the near future.

Business Development

EMI vertical has emerged as the growth engine for the company with a significant growth of 41.3% in US Dollar terms and 25.6% in Rupee terms over the last year. During the year, the management concentrated on building domain expertise in several new domains, practices and verticals to further strengthen our leadership position and garner a meaningful share in the huge engineering services market. Aerospace, Rail and Industrial domains continue to show strong traction and the new practices that we have started last year like Marine and Avionics have gained momentum.

UTG vertical posted a growth of 38.2% in US Dollar terms and 22.8% in Rupee terms over the last fiscal. The company has made a concerted effort to provide higher value services in this group and now engages in providing IT application development, system integration and consulting services. Large road data network projects were performed for Tele Atlas which includes cutting edge mobile mapping services. We were selected as framework supplier by OGC / catalyst for UK Government work. We added 39 new clients last year.

Creating Infrastructure

We continue to provide the infrastructure required to sustain the speed of this growth. The first tower in Manikonda, Hyderabad of 200,000 sq. ft. was formally inaugurated in October 2007. Today

we have 1,600 associates operating out of this facility. Besides, the construction of the second tower is progressing at a brisk pace and is expected to be completed by the end of 2008. Our new 150,000 sq. ft. facility in Electronics City, Bangalore was thrown open for operations on 24th October, 2007. The new facility in Bangalore is designed to accommodate over 1,100 professionals to support the growth plans of our key clients. At Noida, we will be shifting from the existing leased facility to a building of our own with a floor space of over 44,000 sq. ft. This new building will accommodate our 850 plus associates working out of the current facility.

Moving into Tier-2 cities for capacity expansion is key to growth for IT services companies like IEL. The benefits are manifold. Availability of space and primary infrastructure at affordable cost make these cities attractive. More importantly, availability of rich talent churned out by reputed institutions in and around these cities suits the fast growing, talent hungry IT companies. We established a development center in Kakinada, AP, last year for our UTG vertical with 70 seats. We would be scaling up this office to a 120 seat facility in a leased accommodation this year. This apart, we are also in the process of setting up an additional 150 seat facility there to meet the requirements of our new UTG client. Branching out into Kakinada has helped us in improving cost efficiency. Going forward, we would be constructing our own facility in the SEZ of AP Government.

At Visakhapatnam, AP, we are planning to have our own facility spread over a demarcated five acre Special Economic Zone (SEZ). We have commenced work in this site. In the initial phase, we plan to have an office infrastructure that can accommodate 500 seats which should be ready for occupation by the end of the year. Furthermore, this facility would help us scale up to 1,200 seats or more over the near future.

I take this opportunity to reiterate your company's commitment to the development of Tier-2 cities which not only makes a strong business case, but also ties in to our responsibility as a corporate to ensure that we participate in inclusive development.

Chairman's Message

Focus on Quality

A fundamental building block of your company's success is 'focus on quality'. Our Delivery Centres at Hyderabad were recognized as ACE Gold site by Pratt & Whitney (P&W). ACE (Achieving Competitive Excellence) is a proprietary Quality practice of P&W. IEL is the first supplier of P&W anywhere in the world to achieve this distinction. We have further integrated and strengthened our management and operations by implementing SAP in the organization. We received the 'Certificate of Merit' from the prestigious IMC Ramakrishna Bajaj National Quality Award (RBNQA). I am pleased to report that IEL's quality journey has been further accentuated by being accredited with CMMi Level 5 - Version 1.2 for the organizational unit comprising of software groups in UTG, EMI & IT Services. Adding another feather to the cap was Forbes Asia listing your company among the '200 Best under a Billion' Dollar. Further, Your Company was rated as one of the top 100 global outsourcing companies in 2007 by International Association of Outsourcing Professionals (IAOP).

Human Resources Initiatives

People have been the single most important asset we have and we continue to place high importance to align our human resources with the evolving profile of the business. The total head count in the Company crossed the 7,000 mark during the year. The focus was on improving associate contribution in line with higher value addition offered to customers. Last year we added 1,890 associates. Your company is truly becoming global with close to 300 associates from over 14 non-Indian nationalities in the Infotech Enterprises fold. The immense commitment and support of the associates continues to be your company's greatest asset.

Your company's strength in learning and development is also playing a key role in the larger community. Our commitment to education and technology is helping students in India through the tie-ups we have with the Engineering Institutes in Hyderabad. We continue to lay emphasis on the importance of industry - academia interface. We have to keep adding to our existing base of skill sets and acquire new ones as determined by the demands of the global markets we serve.

Challenges

The continuing slowdown in the U.S. Economy and the volatility in currency markets is showing a signs of impact on the Indian IT Industry. Though we are geographically a fairly diversified company, the impact of the slowdown on our business is considerable. Extension of the Software Technology Parks of India (STPI) scheme by just one year to 2010 does not help in long term planning. We continue to wish that the Government would consider extending it for some more years. Over and above these constraints in operations, finding the right talent to support our growing business needs is a major challenge. Though we are taking essential steps to mitigate this challenge through various innovative practices of hiring, training, re-training & retaining talent; however, from a wider perspective it calls for a change in the way education is administered and imparted in this country.

Future

We will continue to show robust growth from our Engineering Services and GIS businesses. We are aggressive on the look out for business arrangements with complementary skills in both Engineering Services and GIS space, which will help us strengthen our leadership further in our chosen business areas. Such arrangements would help us place talent in the identified high growth segments.

Preliminary market reports indicate that the market size of Engineering Services will be \$35-40 Billion by 2020 and the GIS market is estimated to be a \$10 Billion opportunity and your company is well poised to take advantage of this opportunity. We have in place a vertical organization and a global footprint to capitalize on the trend of increasing domain specialization, while simultaneously building the global scale required for large engagements. Lastly, we are confident of achieving the goal of being a \$1 Billion organization by 2012.

Warm Regards,



B.V.R. Mohan Reddy

Chairman and Managing Director

Year at a glance

The Year at a glance - Consolidated

(In Million, except as otherwise stated)

Particulars	March 31, 2008		March 31, 2007	
	Rs.	US \$	Rs.	US \$
For the year				
Operating Revenue	6,741.26	167.53	5,425.38	119.79
Total Income	6,968.00	173.16	5,492.63	121.28
Operating Profit (EBIDTA)	1,216.99	30.24	1,134.67	25.05
Net Profit after tax (PAT)	855.72	21.27	836.63	18.47
EBIDTA as a percentage of operating revenue	18.05%	18.05%	20.91%	20.91%
PAT as percentage of Total Income	12.28%	12.28%	15.23%	15.23%
Basic Earnings per share (Rs.)	16.90	0.42	18.24	0.40
Dividend per share (Rs.)	1.20	0.03	1.13	0.02
Dividend Amount (Excluding Dividend Tax)	65.82	1.64	51.92	1.15
Fixed Assets -Additions (Net)	1,403.39	34.88	651.61	14.39
At the end of the year				
Total assets	8,377.43	208.19	4,119.24	90.95
Fixed assets - net	2,294.76	57.03	1,257.35	27.76
Cash and Bank Balance	1,192.99	29.65	736.00	16.25
Working Capital	2,579.67	64.11	1,662.51	36.71
Total debt	424.03	10.54	260.44	5.75
Net worth	6,724.09	167.10	2,940.31	64.92
Equity	1,241.28	30.85	230.77	5.10
Market Capitalization	14,098.29	350.36	16,698.48	368.70
US\$ Exchange rate (Rs.)	-----	40.24	-----	45.29

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

Figures are regrouped and reclassified wherever necessary.

Key Performance Highlights

- The Company and HAL established a 50:50 Joint Venture - Infotech HAL Limited.
- The Company invested 74% stake in Infotech Geospatial (India) Ltd. (formerly Geospatial Integrated Solutions Pvt. Ltd.)
- Figured among the "200 Best under a Billion Dollar" listed in the Forbes Asia issue.
- Inaugurated a new 200,000 sft. facility at Manikonda, Hyderabad and a 150,000 sft. facility in Electronics City, Bangalore.
- International Association of Outsourcing Professionals (IAOP) has rated your company as one of the top 100 global outsourcing companies in 2007.
- Facilities in Hyderabad were recognized as "ACE Gold Sites" by Pratt & Whitney.
- Established a Strategic Partnership with Continental Data Graphics (CDG), a subsidiary of the Boeing Company.
- 'iBridge', an initiative of company-wide roll out of SAP has been successfully completed.
- Acquired new premises at Noida
- Business momentum and environment continues to be strong for key verticals - Manufacturing, Utilities and Telecom.
- Added 1,890 associates during the year of which 1,149 are in UTG, 672 in EMI and 69 in Support functions.
- 39 new clients were added during the year.
- The Company proposes to declare 24% dividend for the year 2007-08

EMI (SBI) Highlights for 2007-08



Mr. Stephen N. Finger, P&W awarding the Plaque to PWC-Infotech Engineering Design center leadership team

First partner of UTC to reach ACE Gold

Pratt & Whitney and Hamilton Sundstrand Engineering design centers at Hyderabad were assessed as ACE (Achieving Competitive Excellence) Gold sites in October 2007. Infotech is the first UTC (United Technologies Corporation) partner to get this distinction, and we were the 55th and 56th sites out of a total of over 900 UTC sites all over the world to get ACE Gold status. The Gold level is the highest in UTC's ACE quality system.

Mr. Stephen Finger, President of Pratt & Whitney (P&W) presented the plaques to the successful teams.

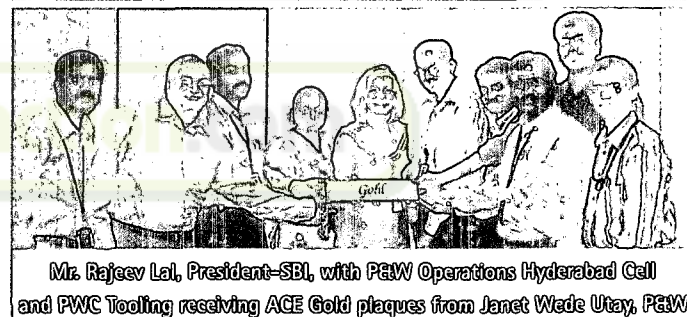
Participation in new aero-engine program

Pratt & Whitney announced that their Geared Turbo Fan (GTF) engine has been chosen by Mitsubishi Heavy Industries for the Mitsubishi Regional Jet. Infotech had participated in the design of the test rig for this engine that has recently completed the testing successfully. We are now engaged by P&W at Program level in the detailed design of this new engine. Infotech is likely to get a significant part of the weight optimization work that will be required for parts of this new engine. Another area where we will contribute is the Green Engine initiative.

Infotech had participated in re-engineering of third party components for manufacture by P&W. P&W has received FAA approval for the first component of this lot.

New services

Supply Chain coordination, Component Solutions and Global General Procurement groups commenced from offshore. Manufacturing Program Management services begun with QA engineer at Bangalore. Infotech became first global supplier for Sikorsky to have completed a Product Modification successfully. In Technical Publications, we started writing new Component Maintenance Manuals for aircraft systems. Test documentation work, including Safety Of Flight reports, started.



Mr. Rajeev Lal, President-SBI, with P&W Operations Hyderabad Cell and PWC Tooling receiving ACE Gold plaques from Janet Wade Utay, P&W

Excellent implementation of ACE in SBI vertical at Infotech led to opportunities for ACE consulting services to UTC group companies. About 30 Infotech ACE consultants were deployed in various parts of the world to assist UTC Fire & Security in timely completion of ACE assessments planned. UTC Fire and Security have commended our consultants' contribution in expeditious ACE implementation at units where they were deployed. In some cases they contributed to business benefits through process improvements in a short time.

UTC SAP upgrade went live in April'07. We have taken up new assignments in software development for engineering processes and for a Refrigeration division.

Infotech HAL Limited, a joint venture of Infotech Enterprises Limited (IEL) & Hindustan Aeronautics Limited (HAL), was registered in August' 07. It started submitting proposals prepared jointly by Infotech and HAL for design and supply to overseas prospects, mainly for work intended to be covered under the offset program. Infotech has been chosen to play a significant role in the initial re-design of an aero engine for industrial use. This project emanates from an MOU between HAL and Pratt & Whitney Power Systems. A joint team of Infotech and HAL engineers is working on this project.

Infotech HAL