

INSPIRED BY THE
PAST
MOTIVATED BY THE
PRESENT
DRIVEN BY THE
FUTURE

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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INFOTECH HAS BEEN CONSISTENTLY INSPIRED BY THE PAST, MOTIVATED BY THE PRESENT AND DRIVEN BY THE FUTURE.

For more than two decades, when a number of companies and utility corporations needed specialized business-strengthening services that comprised deep engineering and IT capabilities, they increasingly turned to one company:

Infotech Enterprises.

THIS IS THE RESULT:

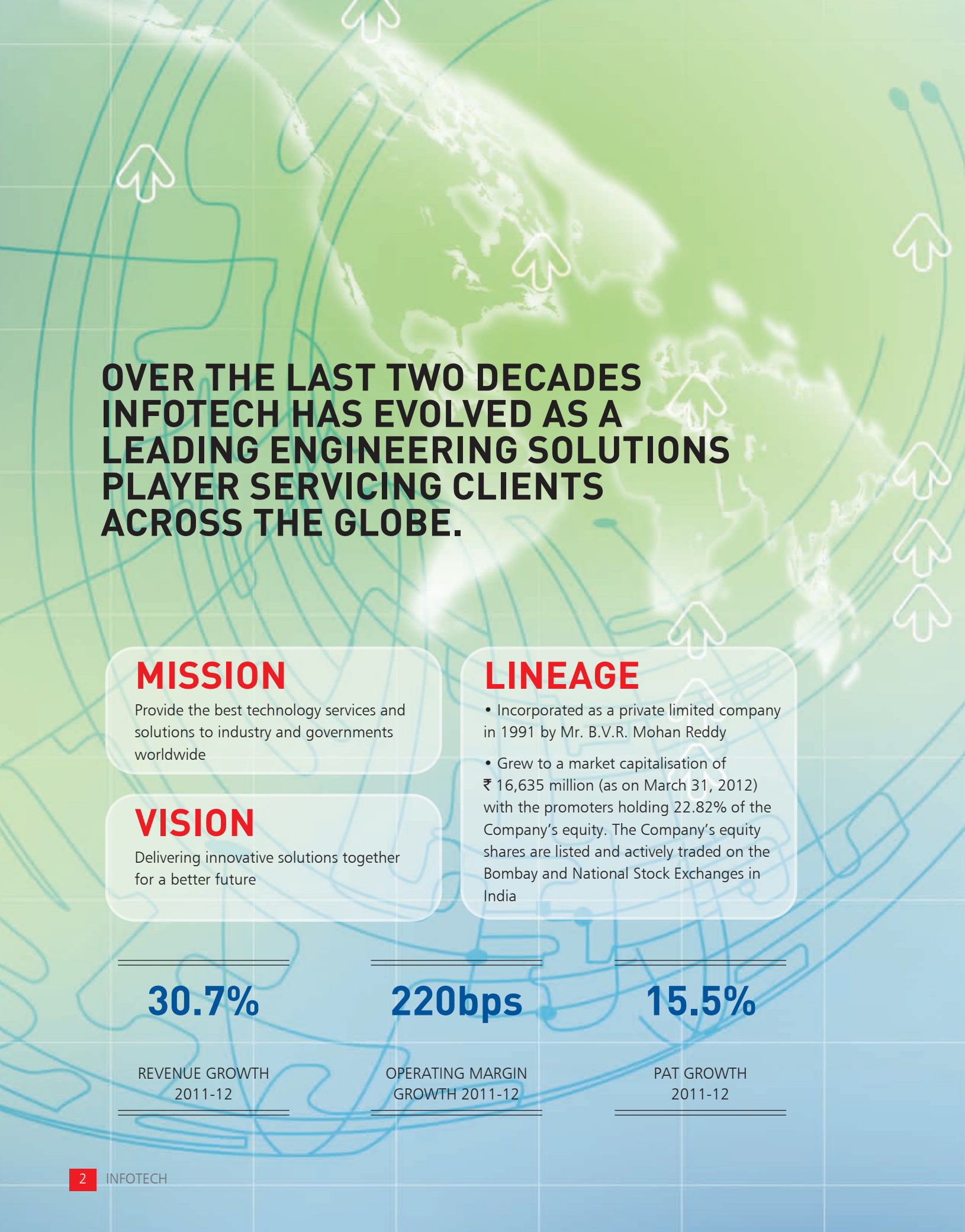
Infotech has grown its market capitalisation to ₹ 16,635 mn (as on 31 March 2012).

Widened its presence across 16 countries.

Serviced the demanding needs of 20+ Fortune 500 companies.

Employed more than 9,300 associates.

For good reason.



OVER THE LAST TWO DECADES INFOTECH HAS EVOLVED AS A LEADING ENGINEERING SOLUTIONS PLAYER SERVICING CLIENTS ACROSS THE GLOBE.

MISSION

Provide the best technology services and solutions to industry and governments worldwide

VISION

Delivering innovative solutions together for a better future

LINEAGE

- Incorporated as a private limited company in 1991 by Mr. B.V.R. Mohan Reddy
- Grew to a market capitalisation of ₹ 16,635 million (as on March 31, 2012) with the promoters holding 22.82% of the Company's equity. The Company's equity shares are listed and actively traded on the Bombay and National Stock Exchanges in India

30.7%

REVENUE GROWTH
2011-12

220bps

OPERATING MARGIN
GROWTH 2011-12

15.5%

PAT GROWTH
2011-12

PRESENCE

- Headquartered in Hyderabad, India
- More than 9,300 associates in 35 global locations
- Possesses best-in-class delivery centres in North America, Europe, Middle East and Asia Pacific

SERVICES

- Network and Content Engineering (N&CE) (now known as Utilities, Telecom & Content) services catering to utility, transportation, and government segments
- Engineering services addressing solutions in the engineering, manufacturing, and industrial product verticals

CLIENTELE

- The Company services growing client needs in the aerospace, automotive, consumer, energy, heavy equipment and machinery, marine, medical devices, oil & gas, transportation, semi-conductor, telecom and utility sectors

ACCOLADES

- Best Indian Company in South India doing business in USA - Indo American Chamber of Commerce
- Exceptional contribution to German - Indian Business Relations - Indo German Chamber of Commerce
- HR Excellence Award for Innovation - Star News

623

NET ASSOCIATE ADDITION
2011-12

45

NEW CUSTOMERS
2011-12

₹ 16,635

MARKET CAPITALISATION*
(IN MILLION)

*As on 31 March 2012

BOARD OF DIRECTORS

B.V.R. Mohan Reddy	<i>Chairman & Managing Director</i>
B. Sucharitha	<i>Whole Time Director</i>
M.M. Murugappan	<i>Independent Director</i>
G.V. Prasad	<i>Independent Director</i>
J. Ramachandran	<i>Independent Director</i>
K. Ramachandran	<i>Independent Director</i>
Vikas Sehgal	<i>Independent Director</i>
Alain De Taeye	<i>Independent Director (Nominee of Tom Tom)</i>
Allan J. Brockett	<i>Non-Executive Director (Nominee of Pratt & Whitney)</i>
Abhay Havaladar	<i>Non-Executive Director (Nominee of General Atlantic)</i>

KEY EXECUTIVES

B.V.R. Mohan Reddy	<i>Chairman & Managing Director</i>
B. Ashok Reddy	<i>President – Global HR & Corporate Affairs</i>
Ajay Aggarwal	<i>Chief Financial Officer</i>
Krishna Bodanapu	<i>President & Chief Operating Officer</i>
John Renard	<i>President & Head UT & C</i>
Bhanu Cherukuri	<i>President – Strategic Initiatives</i>
Ramaswami Anantharam	<i>Chief Information Officer</i>
William Whitley	<i>President, IEAI, USA</i>
Martin Trostel	<i>Managing Director, IEEL, UK & IEG, Germany</i>

CORPORATE INFORMATION

Auditors

Deloitte Haskins & Sells,
1-8-384 and 385, 3rd Floor,
'Gowra Grand', Sardar Patel Road,
Secunderabad – 500 003
Tel.: +91 40 40312600

Internal Auditors

Domestic Operations
M. Bhaskara Rao & Co.,
5-D, 5th Floor, 'Kautilya',
6-3-652, Somajiguda,
Hyderabad – 500 082
Tel.: +91 40 23311245

Global Operations
KPMG,
8-2-618/2, 'Reliance Humsafar',
4th Floor, Road No. 11
Banjara Hills,
Hyderabad – 500 034
Tel.: +91 40 30465000

Tax Advisors

G.P. Associates,
603, 6th Floor,
'Cyber Heights', Plot No. 13,
HUDA Layout, Road No. 2,
Banjara Hills,
Hyderabad – 500 034
Tel.: +91 40 23540822

Bankers

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

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

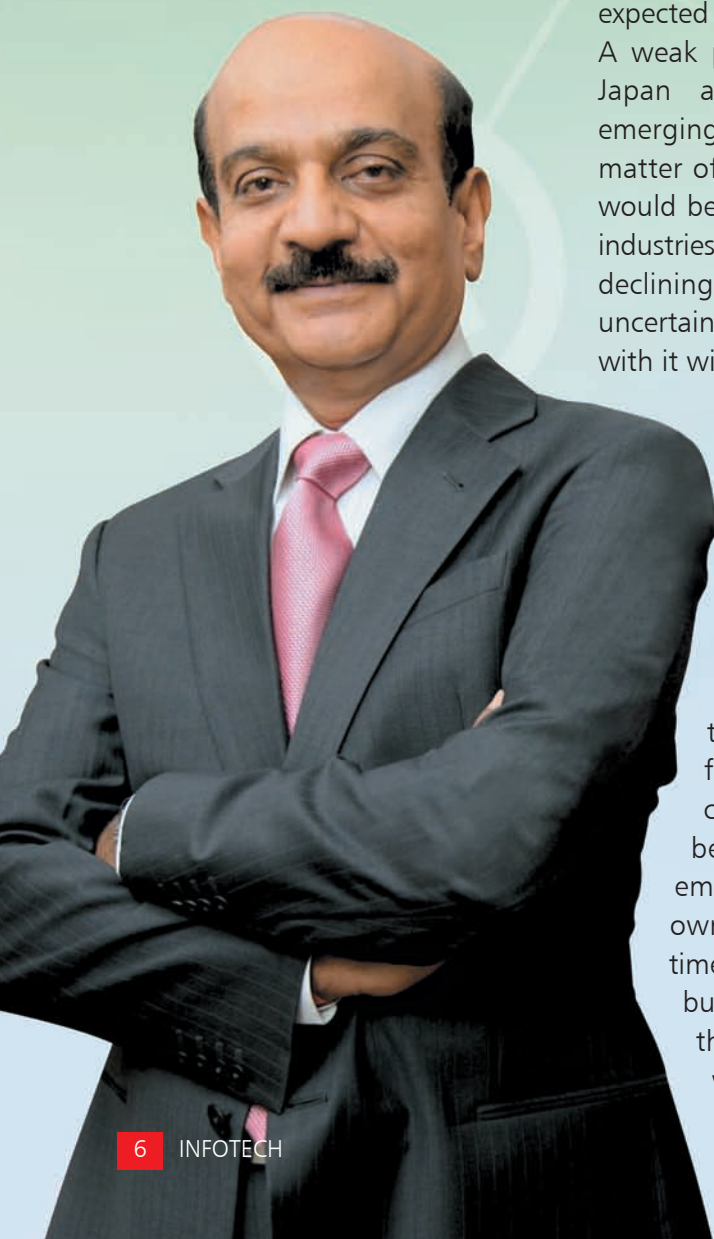
Registrar & Share Transfer Agents

Karvy Computershare Private Limited,
Unit: Infotech Enterprises Limited
Plot No. 17 to 24, Vitthal Rao Nagar,
Madhapur,
Hyderabad – 500 081
Tel.: +91 40 44665500

Company Secretary & Compliance Officer

Sudheendhra Putty,
4th Floor, 11, Software Units Layout, Infocity,
Madhapur, Hyderabad – 500 081
Tel.: +91 40 23124006

INSPIRED BY THE PAST MOTIVATED BY THE PRESENT DRIVEN BY THE FUTURE



Dear Shareholders,

I am happy to share with you my thoughts on the performance of your Company during the financial year (FY) 2011-12 and also on what the future holds for all of us.

Macroeconomic Environment and Industry Overview

The second half of 2011 witnessed a sluggish global economy owing to deepening Eurozone crisis, sharp slowdown in China and lower than expected growth in the UK and US. A weak post-tsunami recovery in Japan and volatility, in most emerging-market economies is a matter of concern. Globally, there would be challenges for countries, industries and businesses due to the declining growth rate. Managing uncertainty and the risks associated with it will be the key challenge.

The global sourcing industry landscape has also altered in line with changing economics, demographics, consumer connectivity and rise of emerging economies. At the same time, there is a fundamental shift in customers' buying behaviour, with a greater emphasis on complete ownership, standardization, time-to-market and delivering business outcomes. Also, in this global, interconnected world, not everything can

be accomplished centrally from a single location. Languages, skills, proximity to customer, business continuity and local market opportunities have created a compelling need for a network of delivery centres across the globe. We are witnessing globalization through M&A as well as local hiring. Specialization has become a key priority.

The business models have also undergone a paradigm shift. From contracts that were based on per hour pricing, the measurement is now based on business outcome. Focus on intellectual property creation and end-to-end processes / products enables the customer to realize top line benefits.

These challenges, in conjunction with an extremely volatile macroeconomic environment, present an opportunity for growth. In line with the words of a famous author, "What Got You Here Won't Get You There" - we recognize that capabilities, which made us a leader in the past, may not ensure success in the future. Operational excellence, innovation, IP creation and leadership development will be critical to the success. The companies who understand and adapt to these challenges will prosper in these tough times.

According to a NASSCOM-Booz Global Engineering R&D report released in May 2010, offshore revenues of both traditional (Aerospace, Automotive, Telecom,

Semiconductors (HiTech), Consumer Electronics and Construction/Heavy Equipment) and emerging verticals (Computing Systems, Energy, Infrastructure, Industrial Auto-mation and Medical Devices) are expected to reach USD 90-100 billion globally. Of this, India will garner a share of around 40 percent by 2020, equivalent to USD 40-45 billion. The growth of the addressable market for your company remains sound and strong.

Your Company

Financial Performance

In spite of the macroeconomic uncertainty around the globe, we had a very good year in line with our expectations. We posted robust growth and higher profits because of customer centricity and long term growth strategy.

Revenue for the year was at ₹15,531 million, a Y-o-Y growth in rupee terms at 30.7% and a Y-o-Y growth in \$ terms at 24%. Operating profit was at ₹ 2,704 million, an increase of 50% Y-o-Y. The operating margin for the year was at 17.4%, an increase of 220 bps over last year. Profit After Tax (PAT) for the year was ₹ 1,614 million, an increase of 15.5% over last year. Our strength grew to 9,334 from 8,711. Our cash and bank balances stood at ₹ 4,782 million.

Our relentless focus on key margin drivers like efficient onsite- offsite-offshore mix, right sizing the organizational pyramid and improving the productivity and utilization drove our operating margins up to 17.4% (a 220 bps increase over last year).

People

Talent engagement and retention have been a key focus for our Human Resources (HR) management team. HR excellence has been brought into the organization through innovative initiatives. Our initiatives were judged to be creative and innovative with a human touch. Your organization has improved ASAT score (Associate Satisfaction score) to 53% compared to 49.3% a year ago.

Building Robust Scalable Systems

With rapid growth, we recognize the importance of building one global company and support the same with robust scalable systems for accurate and timely decision making. We are putting in a lot of effort to instill a "One Infotech" culture, also being supported by robust scalable systems.

We have rolled out organization wide initiatives for strengthening our finance, delivery, human resources and sales processes. For our finance and accounting, we have completed the implementation of SAP across all our global locations. After extensive study of our delivery processes in different CoEs and in different verticals, we are currently implementing a unified delivery management system, e3 (enterprise execution excellence) to address operational requirements of all our business establishments, worldwide. We are also implementing a Global HR system to ensure one global database of all associates with automated work flows for recruitment, transfers, training, separation, performance appraisal and planning. With this implementation, we will have one platform for all our employee information to facilitate timely decision making. Sales automation system is being further enhanced for accurate and timely forecasting of sales data and monitoring sales performance.

Future Directions

Organization Restructuring and Leadership Development

Over the years, one of the key differentiators and growth accelerators has been our organization structure. The structure has enabled us to maintain focus on key markets and customers, while driving efficiency through operational excellence and standardization. We have ensured that the spirit of entrepreneurship is encouraged and rewarded in the organization structure. Over the last six months, the board of directors, the leadership team and I spent a considerable amount of time on identifying the structure that will allow us to continue our growth

momentum and focus on meeting expectations of key stakeholders. To reflect the markets we address and the solutions we provide, the company's business has been realigned into the following four business units (BU):

1. Aerospace (AERO) – Providing product engineering solutions to aerospace customers
2. Heavy Equipment, Transportation & HiTech (HTH) – Providing product and process engineering solutions to non-aerospace customers in manufacturing, high technology and process engineering industries
3. Utilities Telecom (UT) – Providing network engineering and related solutions to telecom and utility customers and their suppliers
4. Content (C) – Providing spatial solutions to a range of industries including mining, oil and gas and content publishing

In the context of this realignment, we created a position of President and Chief Operating Officer to head all business operations including delivery, sales, marketing, strategy and organizational excellence. Towards developing the next generation leadership, we have promoted Krishna Bodanapu as the President and Chief Operating Officer of the Company.

Quality and Innovation

In the first two decades of Infotech's existence, the focus was to ensure that quality becomes a key element of the company's DNA. We were successful in delighting our customers with continuous improvement in our execution methodologies and refinement of processes. We are now in the process of making innovation as a part of our DNA. We have taken steps to foster innovation as a culture in the company. Innovation, as it happens in product, process and business model is being recognized, rewarded and celebrated. Having initiated the journey of innovation in 2010 we hope to see innovation as a key element of our DNA in the near future.

Strategy

Your organization recognizes that it has three distinctive businesses within the company. The Aero and HTH focus on the product and process engineering, the UT focuses on network centric solutions including engineering, the Content business is more into spatial data related solutions including aggregation, analysis and business intelligence. All the three need to be treated differently and specific strategies are being continually developed for each of them. While they are different, they also have tremendous synergies in terms of common customers and a commonality in delivery excellence and entry level resource pool.

The Aero and HTH business is likely to upgrade to an art to part proposition as opposed to our current offering of art to print. The UT business will shift towards comprehensive network solutions that will include engineering, consulting, software and implementation. The Content business will need to build capabilities to manage "Big Data" in the coming years.

As the landscape evolves in terms of new markets, new industries and value chain, it is getting increasingly critical for your company to augment its existing capabilities. It also needs to enter into engagements that lead to end-to-end product development, in order to reach its set targets.

The future is indeed bright for the engineering services sector, the core of your company. Recent trends show that ER&D activities are moving closer to emerging markets and the confidence among global customers in India's supply base capabilities is growing too. Growth in local markets and the emergence of new verticals is further driving the growth of your company.

Business Risks

While we are very confident of the future, we are fully aware of risks emanating from: