

Certificate No.: S-06/2018/14

To,
The Board of Directors,
3i Infotech Limited

Independent Auditor's Certificate in terms of Para (I) (A) (5) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018.

We, the statutory auditors of 3i Infotech Limited, (CIN: L67120MH1993PLC074411) (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in Clause 5.1 of the Draft Scheme of Arrangement for reduction of share capital and subsequent consolidation (hereinafter referred to as "the Scheme"), between the Company and its shareholders in terms of the provisions of section 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, the rules framed thereunder and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards as aforesaid, is that of the Board of Directors of the Company. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Indian Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

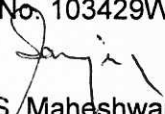
Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the Clause 5.1 of the scheme is in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under, the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other Generally Accepted Accounting Principles, as applicable, subject to approval by the regulatory authorities.

Relevant clauses of the Scheme and proposed journal entries based audited financial statements as on March 31, 2018, duly authenticated on behalf of the Company, is enclosed as **Annexure – 1** to this Certificate for ease of reference and we have stamped the same for identification purpose only.



This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

For GMJ & Co
Chartered Accountants
F.R.No. 103429W


CA S. Maheshwari
Partner
Membership No.: 038755
Place: Mumbai
Date: June 29, 2018





ANNEXURE - 1

A. RELEVANT EXTRACTS OF THE SCHEME FOR ARRANGEMENT BETWEEN 3i INFOTECH LIMITED AND THEIR RESPECTIVE SHAREHOLDERS (UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

Clause 4.1: REORGANISATION OF SHARE CAPITAL OF THE COMPANY

With effect from the Effective Date and on such Record Date as may be decided by the Company, the entire issued, subscribed and paid up equity share capital of the Company as on the Record Date (other than shares held in abeyance) shall stand reduced, by reducing the face value of the equity shares, from the present sum of INR 10 each fully paid to equity shares of INR [1] each fully paid.

Clause 4.2: REORGANISATION OF SHARE CAPITAL OF THE COMPANY

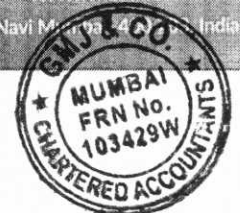
Immediately, upon reduction of the face value of the equity shares of the Company under Clause 4.1 above, 10 (ten) equity shares of face value of INR 1 each (Rupee one) (as reduced under Clause 4.1 above), shall be consolidated into 1 (one) fully paid up equity share of INR 10 each.

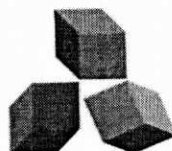
Clause 4.3: REORGANISATION OF SHARE CAPITAL OF THE COMPANY

In the event, if, after giving effect to the reduction of face value of the equity shares of the Company and immediate consolidation of the face value of such equity shares of the Company (as mentioned in Clauses 4.1 and 4.2 above), a shareholder becomes entitled to a fraction of an equity share of the Company, the Company shall not issue fractional shares or share certificates, as the case may be, to such member/ beneficial owner, but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated equity shares directly to a trustee nominated by the Board in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders/ beneficial owners respectively entitled to the same in proportion to their fractional entitlement.

Clause 5.1: ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

The equity share capital written off in terms of Clause 4.1 and Clause 4.3 of the Scheme shall be utilised for the for writing off the accumulated losses of the Company as on the Effective Date and the Company shall pass appropriate entries as per the applicable accounting policies and accounting standards as regards accounting for the reduction of capital and writing off the accumulated losses of the Company on the Effective Date.





3i Infotech®
LIMITLESS EXCELLENCE

B. PROPOSED JOURNAL ENTRIES IN THE BOOKS OF THE COMPANY

Particulars	DR / CR	Debit / (Credit) Amount	Narration
Share Capital - Equity (FV Rs. 10)	DR	16,15,35,81,780	Being the entry for Reduction of Equity Share Capital from Face Value of Rs. 10 per share to Face Value of Re. 1 per share. Cancellation of 1,615,358,178 Equity Shares of Face Value Rs. 10 each, Issue of 1,615,358,178 Equity Shares of Face Value Rs. 1 each and Resultant Capital Reduction accounted.
Share Capital - Equity (FV Re. 1)	CR	(1,61,53,58,178)	
Capital Reduction Account	CR	(14,53,82,23,602)	
Share Capital - Equity (FV Re. 1)	DR	1,61,53,58,178	Being the entry for consolidation of Equity Share Capital from Face Value of Re. 1 per share to Face Value of Rs. 10 per share including Fractional number of Equity Shares rounded up and to be issued.
Share Capital - Equity (FV Rs. 10)	CR	(1,61,53,58,170)	
Share Capital - Equity (FV Rs. 10)	CR	(10)	
Capital Reduction Account	DR	2	
Capital Reduction Account	DR	14,53,82,23,600	Being the entry for utilisation of Capital Reduction account for writing off the accumulated losses.
Retained Earnings	CR	(14,53,82,23,600)	
Share Suspense Account - Equity Shares (FV Rs. 10)	DR	25,94,92,390	Being the entry for Reduction of Share Suspense Account - Equity Shares from Face Value of Rs. 10 per share to Face Value of Re. 1 per share Resultant Capital Reduction accounted
Share Suspense Account - Equity Shares (FV Re. 1)	CR	(2,59,49,239)	
Capital Reduction Account	CR	(23,35,43,151)	
Share Suspense Account - Equity Shares (FV Re. 1)	DR	2,59,49,239	Being the entry for consolidation of Share Suspense Account - Equity Shares from Face Value of Re. 1 per share to Face Value of Rs. 10 per share including Fractional number of Equity Shares rounded up and to be issued.
Share Suspense Account - Equity Shares (FV Rs. 10)	CR	(2,59,49,240)	
Capital Reduction Account	DR	1	
Capital Reduction Account	DR	23,35,43,150	Being the entry for utilisation of Capital Reduction account for writing off the accumulated losses
Retained Earnings	CR	(23,35,43,150)	

For 3i Infotech Limited

(Signature)
Padmanabhan Iyer

Managing Director and Global CEO

