



- (ii) to obliterate the share capital being lost and not represented by available assets of the Company, it is necessary to carry out reduction of share capital of the Company. Subsequent, to reduction, the consolidation of equity shares aims to maintain optimum liquidity in the market commensurate with other entities of similar size and in similar business.
- (iv) The reduction of share capital and subsequent consolidation in the manner proposed herein would enable the Company to rationalise its capital structure and present a true and fair financial position of the Company which commensurate with its business and assets.
- (v) Hence, the proposed reduction of share capital and subsequent consolidation is in the interest of the Company and its shareholders, creditors and all concerned.
- 2.2. The salient features of the draft Scheme are as under:
- (i) Reduction of share capital of the Company on the Record Date (as defined in the Scheme). Such reduction shall be effected by reducing the face value of the equity shares of the Company from INR 10 to INR 1. The capital so reduced will be utilized to write off the accumulated losses of the Company.
- (ii) Subsequent to such reduction in face value of the equity shares of the Company, the Scheme provides for consolidation of 10 equity shares of the Company of INR 1 into one equity share of the Company of INR 10 each.
- 2.3. The Audit Committee reviewed the Fairness Opinion and noted the recommendations made therein. Further, the Fairness Opinion confirmed that the Scheme is fair to the shareholders of the Company.
- 2.4. Further, the Audit Committee reviewed the Accounting Treatment Certificate and noted that that the accounting treatment in the Scheme is in line with generally accepted accounting principles.
- 3. Recommendation of the Audit Committee**

Taking into consideration the draft Scheme, Fairness Opinion and Accounting Treatment Certificate as placed, the Audit Committee recommends the draft Scheme to the Board of Directors of the Company for its consideration and approval.

By Order of the Audit Committee

For and on behalf of **3i INFOTECH LIMITED**



Shashank Desai

**Chairman**

**Audit Committee**

Place: Mumbai

Date: June 29, 2018