

**Date:** 29<sup>th</sup> June 2018

To,  
The Board of Director  
**3i Infotech Limited**  
5<sup>th</sup> Floor, Tower #5, International Infotech Park  
Vashi  
Navi Mumbai – 400 703  
Maharashtra  
India

**Subject: Merchant Banker's Fairness Opinion on the proposed Scheme of Arrangement between 3i Infotech Limited and its Shareholders.**

We refer to the discussions wherein the management of 3i Infotech Limited ("the Company") requested Saffron Capital Advisors Private Limited ("We", "Our" or "Us"), in Our capacity as a Merchant Banker, to give a Fairness Opinion on the reduction of the share capital of the Company and subsequent consolidation of the face value of the equity shares of the Company under the proposed Scheme of Arrangement ("the Scheme") between the Company and its Shareholders.

## 1. Background

- 1.1 The Company, a public limited company, has its registered office at 3<sup>rd</sup> to 6<sup>th</sup> floors, International Infotech Park, Vashi, Navi Mumbai - 400 703, Maharashtra, India and its Corporate Identity Number is L67120MH1993PLC074411. The Company provides information technology services. The equity shares of the Company are listed on the BSE Limited (Bombay Stock Exchange) and the National Stock Exchange of India Limited (collectively "the Indian Stock Exchanges").
- 1.2 The Scheme provides for reduction of the share capital of the Company and subsequent to such reduction, consolidation of the face value of the equity shares of the Company.
- 1.3 The Fairness Opinion requested from Us is to be provided in Our capacity as Category I Merchant Banker (Registration Code: INM000011211) and is required to be submitted to the Indian Stock Exchanges to facilitate the Company's compliance with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements; "SEBI") Regulations, 2015 read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March 2017.

## 2. Sources of information

For the said examination and for arriving at the Fairness Opinion set forth below, We have considered the following documents (duly certified by the management of the Company), representations and explanations provided to Us by the management of the Company:

- Draft copy of the Scheme.
- Such other information and explanations as We required and which have been provided by the management of the Company.



# SAFFRON

• • • • • energising ideas

### 3. Limitations

- 3.1 Our Fairness Opinion is based on the information furnished to Us being complete and accurate in all material aspects. We have relied upon the information, explanations and representations provided to Us by the management of the Company without carrying out any audit or other tests to verify their accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Company.
- 3.3 Our work does not constitute any verification of any financial information of the Company. Accordingly, We do not express any opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our Fairness Opinion is not intended to and does not constitute any recommendation to any shareholder of the Company as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our Fairness Opinion is not, nor should it be construed as Our opinion on/ or certification of compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.6 We do not assume any responsibility for updating or revising Our Fairness Opinion based on circumstances or events occurring after the date thereof.
- 3.7 We do not express any opinion on the fair value of the equity shares of the Company and/ or the price at which the equity shares of the Company may trade at any time, including subsequent to the date of this Fairness Opinion.
- 3.8 This Fairness Opinion has been issued for the sole purpose to facilitate the Company's compliance with compliance with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements; "SEBI") Regulations, 2015 read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017.
- 3.9 It is understood that this Fairness Opinion is issued to the Board of Directors of the Company in connection with the Scheme and may not be relied upon by any other person and may not be used or disclosed for any other purpose without Our prior written consent except that a copy of this Fairness Opinion may be included in its entirety in any filing, which the Company is required to make with jurisdictional National Company Law Tribunal and/ or SEBI and/ or with any Indian Stock Exchange in connection with the Scheme, if such inclusion is required by applicable law.
- 3.10 In no event shall We be liable for any loss, damage, cost or expense arising in any way from the fraudulent acts, misrepresentations or willful default on the part of the Company or its Directors, employees or agents.
- 3.11 Our liability (statutory, financial or otherwise) for any economic loss or damage arising out of the rendering of this Fairness Opinion shall be limited to the amount of fees received for rendering this Fairness Opinion as per Our engagement with the Company.



# SAFFRON

• • • • • energising ideas

#### 4. Key features of the Scheme

4.1 The Scheme provides for reduction of the share capital of the Company by reducing the face value of the equity shares of the Company from INR 10.00 per equity share to INR 1.00 per equity share. Subsequent to such reduction in the face value of the equity shares of the Company, the Scheme provides for consolidation of ten equity shares of the Company of face value of INR 1.00 per equity share into one equity share of the Company of face value of INR 10.00 per equity share. The Scheme also makes provisions for various other matters consequential or related hereto and otherwise integrally connected.

4.2 The Scheme does not involve:

- 4.2.1 any cash outflows, affecting the ability or liquidity of the Company to meet its liabilities;
- 4.2.2 alters the shareholding pattern of the Company; and
- 4.2.3 diminution of any liability in respect of any unpaid share capital or payment of any paid up share capital to any shareholder.

#### 5. Fairness Opinion

On the basis of the foregoing and based on the information and explanation provided to Us, in Our opinion, the Scheme is fair and reasonable.

For Saffron Capital Advisors Private Limited

  
K.L. Kalantri  
29/06/18

Kunal L. Kalantri  
Saffron Capital Advisors Private Limited  
Category I Merchant bankers  
Registration no.: INM000011211