

STRICTLY PRIVATE & CONFIDENTIAL

July 08, 2016

The Board of Directors
Trigyn Technologies Limited
27, SDF – I, SEEPZ-SEZ,
Andheri (East),
Mumbai - 400 096

Ladies / Gentlemen,

Sub: Fairness opinion on the proposed Scheme of Reduction of Capital between Trigyn Technologies Limited and its Shareholders

We refer to the engagement letter dated June 01, 2016 (“**Engagement Letter**”) whereby Trigyn Technologies Limited (“**Trigyn**” / “**Company**”) has appointed IL&FS Capital Advisors Limited (“**IL&FS Capital**”), a Securities and Exchange Board of India (“**SEBI**”) registered Merchant Banker, to provide a fairness opinion to the Company on the proposed Scheme of Reduction between Trigyn Technologies Limited and its Shareholders (“**Scheme**”).

1. BACKGROUND OF THE COMPANY

1.1. The Company was incorporated as a private limited company under the name and style “Leading Edge Systems Private Limited” on March 25, 1986 with the Registrar of Companies, Maharashtra. Subsequently, the Company was converted into a public company in compliance with the provisions of the Companies Act, 1956 and special resolution passed by the shareholders in the extra-ordinary general meeting held on July 25, 1994, and the name of the Company was changed from “Leading Edge Systems Private Limited” to “Leading Edge Systems Limited” and a fresh certificate of incorporation consequent upon change of name was obtained on August 08, 1994. Subsequently, the name of the Company was changed from “Leading Edge Systems Limited” to its present name “Trigyn Technologies Limited” and a fresh certificate of incorporation consequent upon change of name was obtained on July 19, 2000. The Company is a public limited company listed with National Stock Exchange of India Limited (‘**NSE**’) and BSE Limited (‘**BSE**’) (hereinafter together “**Stock Exchanges**”).

- 1.2. The Company is an Information Technology firm providing custom software solutions, managed services, staff augmentation and consulting services to its clients.
- 1.3. The issued, subscribed and paid- up capital of the Company as on March 31, 2016 is ₹ 294,457,360/- comprising 29,445,736 Equity Shares of ₹10/- each.
- 1.4. As on March 31, 2016, as per the audited financial statement of the Company the securities premium account was ₹ 6,610,227,115/- (Rupees Six Hundred Sixty One Crore Two Lakh Twenty Seven Thousand One Hundred Fifteen Only) and accumulated losses of ₹ 5,282,591,328 (Rupees Five Hundred Twenty Eight Crore Twenty Five Lakh Ninety One Thousand Three Hundred Twenty Eight Only).

2. SCOPE AND PURPOSE OF THIS REPORT

- 2.1. We understand that the Board of Directors of the Company wish to set-off the losses incurred by the Company by way of undertaking the corporate restructuring exercise wherein the securities premium account would be utilized / adjusted against the accumulated loss in Statement of Profit & Loss in accordance with applicable laws.
- 2.2. In this connection, the management of Company has engaged IL&FS Capital to submit a report on the fairness of the Scheme as per the requirements of the Securities and Exchange Board of India (“SEBI”) circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 (“SEBI Circular”). Our scope of work includes commenting only on the fairness of the Scheme
- 2.3. This report is subject to the scope and limitation detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Scheme and should not be used for any other purpose.

3. SOURCE OF INFORMATION

We have relied on the following information provided by the Company for framing our opinion on the fairness of the Scheme:

- a) Draft of the Scheme of Reduction between Triygn Technologies Limited and its Shareholders;
- b) Annual Report of the Company for financial year ended 2013-14 and 2014-15 and financial statements for the year ended 2015-16;
- c) Copy of Memorandum and Article of Association of Trigyn; and
- d) Certificate from Ford, Rhodes, Parks & Co., Chartered Accountants dated July 08, 2016 on non-applicability of Valuation Report.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives of the Company

4. KEY FEATURES OF THE SCHEME

- 4.1. The Company has accumulated losses of ₹ 5,282,591,328 (Rupees Five Hundred Twenty Eight Crore Twenty Five Lakh Ninety One Thousand Three Hundred Twenty Eight Only) as on March 31, 2016. The Company's Reserves and Surplus as on March 31, 2016 includes an amount of ₹ 6,610,227,115/- (Rupees Six Hundred Sixty One Crore Two Lakh Twenty Seven Thousand One Hundred Fifteen Only) standing to the credit of the Securities Premium Account of the Company.
- 4.2. The Board of Directors of the Company is proposing a proposal wherein, part balance in the securities premium would be adjusted against the accumulated losses. The Company proposes to implement a reduction of capital under Sections 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013.
- 4.3. Further Article 57 of the Articles of Association of the Company authorizes the Company to reduce its share capital in any manner and in accordance with the provision of the Companies Act, 2013 and/or Companies Act, 1956.
- 4.4. Thus, reduction of securities premium in the manner specified above would be deemed as reduction of share capital under the provisions of Section 52 of the Companies Act, 2013 and such reduction is covered by provisions of Sections 100 to 104 of the Companies Act, 1956. Accordingly, the

present reduction of securities premium is being proposed under the provisions of Sections 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013.

- 4.5. The proposed Scheme will enable the Company to use the amount which is lying unutilized in the Securities Premium Account of the Company in an effective manner for the benefit of the Company. The adjustment/ set-off of the securities premium would not have any impact on the shareholding pattern, and the capital structure of the Company.

5. VALUATION REPORT

On the basis of our verification of the proposed Scheme and the undertaking provided by statutory auditors of the Company, Ford, Rhodes, Parks & Co., Chartered Accountants dated July 08, 2016, the requirement of obtaining a 'Valuation Report from an Independent Chartered Accountant' mentioned in paragraph I(A)(4) of the SEBI Circular is not applicable as the Scheme is being undertaken for setting of the accumulated losses by reducing the amount standing to the credit of the Securities Premium Account and as such there would be no share swap arrangement or issuance of shares. Consequently, there would be no change in the shareholding pattern of the Company pursuant to the proposed reduction of capital.

6. EXCLUSIONS & LIMITATION

Our report is limited to the scope limitations detailed hereinafter:

- 6.1. In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, we have been given to understand by the management of the Company that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Company and their impact on the present exercise.

- 6.2. Our work does not constitute an audit, due diligence or verification of historical financials or including the working results of the Company or the business referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 6.3. We express no opinion whatsoever and make no recommendation at all to the Company's underlying decision to effect the proposed Scheme or as to how the shareholders of the equity shares should vote at their respective meeting held in connection with the Scheme.
- 6.4. We do not express and should not be deemed to have expressed any views on any other term of the proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Trigyn will trade following the announcement of the proposal or as to the financial performance of Trigyn following the consummation of the proposal.
- 6.5. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Company has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company, its business and any other matter, which may have an impact on our opinion for the proposal. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.6. This report is intended only for the sole use and information of the Company only in connection with the Scheme including for the purpose of obtaining judicial and regulatory approvals for the Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Company or its subsidiaries shall do so after seeking their own profession advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.
- 6.7. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme as aforesaid can be done only with our prior permission in writing.

6.8. This report has been issued for the sole purpose to facilitate the Company to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended from thereof and relevant SEBI circulars.

7. OPINION & CONCLUSION

Subjected to caveats as detailed hereinbefore, we have reviewed the proposal for part adjustment of securities premium account against accumulated losses of Trigyn and observe the same to be fair.

For, **IL&FS Capital Advisors Limited**


Authorised Signatory