



July 16, 2024

**BSE Limited**

Sir Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400 001  
Security Code: 532628

Dear Sir/ Madam,

**Sub: Submission of Statement on impact of Audit Qualifications for the quarter and year ended March 31, 2024 under Corporate Announcement.**

This is with reference to our letter dated June 24, 2024, regarding Statements of Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2024 and Statement on impact of Audit Qualifications, submitted under Communication module of BSE Portal. We have submitted the Statement on impact of Audit Qualifications along with covering letter under Communications Module of BSE Portal on June 24, 2024 and also submitted the same in XBRL Format (Acknowledgment No. 27062024044758) on June 27, 2024.

We hereby submit the Statement on impact of Audit Qualifications under General Announcement Module of BSE Portal.

You are requested to take the same on record.

Thanking you.

Yours faithfully,  
For **3i Infotech Limited**

Varika Rastogi  
Digitally signed  
by Varika Rastogi  
Date: 2024.07.16  
16:23:20 +05'30'

**Varika Rastogi**  
Company Secretary

**Encl: a/a**



**3i Infotech**  
LIMITLESS EXCELLENCE

June 24, 2024

**BSE Limited**  
Sir Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400 001  
Security Code: 532628

Dear Sir/ Madam,

**Sub: Statements of Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2024 and Statement on impact of Audit Qualifications.**

This is with reference to your query dated June 24, 2024, in respect of Statements on Impact of Audit qualification for year ended March 31, 2024 (Standalone & Consolidated).

Further to our letter dated May 30, 2024, regarding submission of Statements of Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2024, we wish to inform you that we had submitted the Statements of Audited Financial Result for Standalone & Consolidated both for the quarter and year ended March 31, 2024 alongwith Cash flow statement, Statutory Auditors' Report and notes to financial statements. The Financial Statements were approved late evening on May 30, 2024 and accordingly the results were submitted in pdf and XBRL format.

The Statutory Auditors' had issued the disclaimer of opinion under its Auditors' report for the Financial Results for the quarter and year ended March 31, 2024. There were no qualification in the Auditors' report.

As per SEBI Circular dated May 27, 2016 and Master circular issued by NSE bearing reference number NSE/CML/2024/10 dated April 29, 2024, the Company has to file 'Statement on impact of Audit Qualifications'. The Statement of impact on disclaimer of opinion is ready, however since one of the Directors is travelling abroad, there was delay in submission. As the concerned director is not available, we couldn't obtain his signature on the Statement on impact of disclaimer of opinion.

Statements on Impact of Audit Qualifications (Standalone & Consolidated), duly signed, are enclosed herewith for your kind consideration. As the disclaimer of opinion has appeared in the report for the first time, we request you to consider the delayed submission of Statement on impact of Audit Qualifications.

You are requested to take the same on record for the same.

Thanking you.

Yours faithfully,  
For 3i Infotech Limited

**Varika** Digitally signed  
by Varika Rastogi  
Date: 2024.06.24  
19:50:58 +05'30'

**Varika Rastogi**  
Company Secretary

Encl: a/a

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.

Sl. No.	Particulars	Audited Figures (as reported before Adjusting for qualifications) (INR in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (INR in lakhs)
1.	Turnover / Total income		
2.	Total Expenditure	36,579	N/A
3.	Net Profit/(Loss)	81,254	N/A
4.	Earnings Per Share	(81,863)	N/A
5.	Total Assets	Rs. 48.52	N/A
6.	Total Liabilities	49,745	N/A
7.	Net Worth	41,019	N/A
8.	Any other financial item(s) (as felt appropriate by the management)	8,726	N/A
		-	-

**II. Audit Qualification (each audit qualification separately):**

Sl No.	Particulars	Remarks
a.	Details of Audit Qualification:	<p>Following disclaimer has been given by the Auditors in the audit report on Standalone Financial Statements of the Company:</p> <ol style="list-style-type: none"><li>1. The Board had set up a Legacy Committee as a Sub – Committee of the Audit Committee, to evaluate and address all long outstanding legacy related matters. After evaluating the reports of Sub Committee, the Board of Directors of the Company at its meeting held on January 31, 2024, decided to initiate Forensic Audit for legacy issues, the completion of which is still pending. In the absence of outcome of the Forensic Audit, we are unable to comment on the possible consequential effects thereof, if any, on the standalone financial results.</li><li>2. The Company has carried net investment in 3i Infotech Holdings Private Limited, a wholly owned subsidiary, amounting to INR 10,104.36 lakhs in Equity Shares and INR 71,172.83 lakhs in Redeemable Preference Shares after making a loss allowance, on the basis of internal evaluation, of INR 42,170.13 lakhs in the current financial year. We have not been provided the audited financial statements of the subsidiary. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the management estimate for loss allowance amounting to INR 42,170.13 lakhs and recoverability of carrying value of investments in subsidiary amounting to INR 81,277.19 lakhs in the standalone financial results.</li></ol>

		<p>3. The Company has a net receivable balance on account of trade receivables, loans &amp; interest of INR 7,636.05 lakhs from its various foreign subsidiaries, after making a loss allowance of INR 32,990.46 lakhs on the basis of internal evaluation in the current financial year. The recoverability of the same are long outstanding. In the absence of sufficient and appropriate audit evidence of recoverability of these balances and basis of the loss allowance, we are unable to comment on the management estimate for loss allowance amounting to INR 32,990.46 lakhs and recoverability of carrying value of net receivables amounting to INR 7,636.05 lakhs in the standalone financial results.</p> <p>5. In the current financial year, the Company has presented all the legacy outstanding balances of its receivable of INR 7,636.05 lakhs, investments of INR 81,276.83 lakhs and payable of INR 1,08,097.21 lakhs relating to its wholly owned subsidiaries as a single line item in the Balance Sheet of INR 19,183.97 lakhs under "Legacy related liabilities and assets." We are unable to comment on the appropriateness of the presentation of these receivables / investments and payables in the standalone financial results.</p>
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive since how long continuing	First time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified by auditors and hence no management views
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's	Not quantified by auditors and hence no management views



<p>estimation on the impact of audit qualification:</p>	
<p>(ii) If management is unable to estimate the impact, reasons for the same:</p>	<p>The above mentioned comments given by the statutory auditors is for the first time in their audit report as a disclaimer of opinion and are related to transactions done by the erstwhile management prior to the carve period (i.e. prior to 1<sup>st</sup> April 2021). During the first quarter audit discussions, queries were raised by the audit committee with the statutory auditors and current management pertaining to balances prior to 31<sup>st</sup> March 2021 to which no proper satisfactory answers was available from both. In the absence of proper details on record, the audit committee thereby set up a sub-committee for legacy matters to look into the depth of the nature of transactions &amp; the genuity of the financial records. The legacy sub-committee thereafter appointed a chartered accounted firm and a company secretary firm to get into details of the financials prior to 31<sup>st</sup> March 2021 which goes into a period of around 15 years &amp; more (from FY 2009-10 &amp; earlier to the period till 31<sup>st</sup> March 2021) in coordination with the current management team and to follow up with the erstwhile board of directors / management team / statutory auditors / company secretary / audit committee members to get the required details of the un-explained transactions in order to disclose to the investor's a correct and fair view of the company. There has been complete non-cooperation by the erstwhile management team despite aggressive follow-up with them for the sought inputs and data. Since no proper inputs was available for the earlier financial years prior 1<sup>st</sup> April 2021, the chartered accountant has given a report on the same to the legacy sub-committee. On the basis of review of their report, the board of directors, chairman audit committee / of the company has initiated a forensic audit for the un-explained transactions pertaining to the period prior to 1<sup>st</sup> April 2021. The forensic audit is still in progress as it is taking time to gather the required information from the available records.</p> <p>Since the new management is unable to estimate the impact of the same, nevertheless, by way of abundant precaution has made provisions on a conservative and prudent basis. For a more appropriate, true and fair presentation we have grouped together the legacy items and given full disclosures thereof. Ind-AS, para 19 permits departure from the guidelines of reporting with a requirement in an Ind-AS for true and fair presentation of the entity's financial position. Appropriate disclosures have been provided in the Notes to Accounts in the Annual Report for FY 2023-24.</p>
<p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>We refer to our comment in para II (a) above.</p>

SI No.	Particulars	Remarks
a.	Details of Audit Qualification:	Following disclaimer has been given by the Auditors in the audit report on Standalone Financial Statements of the Company: 4. The intangible assets amounting to INR 4,454.80 lakhs, were capitalized during the current year. However, the management has on the basis of internal evaluation made a loss allowance of INR 2,193.18 lakhs in the current financial year. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the management estimate for loss allowance amounting to INR 2,193.18 lakhs and recoverability of balance carrying value amounting to INR 1,732.80 lakhs in the standalone financial results.
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified by auditors and hence no management views
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Not quantified by auditors and hence no management views
	(ii) If management is unable to estimate the	During the financial year after resignation of the CEO & Managing Director (Mr Thompson Gnanum), Chairman (Mr Ashok Shah) and an Independent director (Mr Sriram), the audit committee while reviewing the legacy issues thought it was also appropriate to review

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	<p>impact, reasons for the same:</p>	<p>the current financial statements pertaining to the current assets and capital assets of the company in order to present a true and fair financial statements to its shareholders. Considering this, the board of directors had formed a sub-committee to evaluate all Intangible capital projects. On the basis of the evaluation of the intangible projects capitalized during the year (amounting to 4454.80 lakhs) by the sub-committee and basis valuation report from Kroll, an impairment of INR 2193.18 lakhs has been taken in the current financial year.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>We refer to our comment in para II (a) above.</p>

**III. Signatories**

**For 3i Infotech Limited**

  
**Sanjay Rawa**  
 CFO

Place: Mumbai  
 Date: May 31, 2024

  
**Uttam Prakash Agarwal**  
 Audit Committee Chairman

Place:  
 Date: May 31, 2024

**For GMJ & Co**  
 Chartered Accountants  
 FRN: 103429W

  
**CA Madhu Jain**  
 Partner

M. No.: 155537  
 Place: Mumbai  
 Date: May 31, 2024



**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results - (Consolidated)  
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

**I.**

Sl. No.	Particulars	Audited Figures (as reported before Adjusting for qualifications) (INR in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (INR in lakhs)
1.	Turnover / Total income	81,720	N/A
2.	Total Expenditure	91,403	N/A
3.	Net Profit/(Loss)	(29,827)	N/A
4.	Earnings Per Share	Rs. 17.69	N/A
5.	Total Assets	66,399	N/A
6.	Total Liabilities	37,055	N/A
7.	Net Worth	29,344	N/A
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

**II. Audit Qualification:**

Sl No.	Particulars	Remarks
a.	Details of Audit Qualification:	<p>Following disclaimer has been given by the Auditors in the audit report on Consolidated Financial Statements of the Company:</p> <p>1. We have not received the audited financial statements of material subsidiaries i.e. 3i Infotech Holdings Private Limited and 3i Infotech Middle East FZ LLC. In the absence of these audited financial statements we are unable to assess the impact of this matter on consolidated financial statements and therefore unable to express an opinion on the consolidated financial statements.</p>
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified by auditors and hence no management views

*by*



e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Not quantified by auditors and hence no management views
	(ii) If management is unable to estimate the impact, reasons for the same:	We do not envisage any material changes in the management certified financials and the audited financials. There is an observation by the statutory auditors of 3i Infotech Holdings Private Limited seeking inputs of transactions in functional currency pertaining to legacy period (prior to 1st April 2021) which is more than 10 years old for which the inputs and data is limited for this period. We have tried to reach the erstwhile management / previous statutory auditors of 3i Infotech Holdings Private Limited in this matter to get the sought inputs and data. As regards audited financial statements for 3i Infotech Middle East FZ LLC, the audit report has been received afterwards and there are no changes in the management certified financials and the audited financials.
	(iii) Auditors' Comments on (i) or (ii) above:	We refer to our comment in para II (a) above.

Sl No.	Particulars	Remarks
a.	Details of Audit Qualification:	Following disclaimer has been given by the Auditors in the audit report on Consolidated Financial Statements of the Company: The holding company's Board had set up a Legacy Committee as a Sub - Committee of the Audit Committee, to evaluate and address all long outstanding legacy related matters, after evaluating the reports of Sub Committee, the Board of Directors of the Company at its meeting held on January 31, 2024, decided to initiate Forensic Audit for legacy issues, of which completion is still pending. In the absence of outcome of the Forensic Audit, we are unable to comment on the possible consequential effects thereof, if any, on the Consolidated Financial Statements.
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
d.	For Audit Qualification(s) where the impact	Not quantified by auditors and hence no management view.

	is quantified by the auditor, Management's Views:	
c.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Not quantified by auditors and hence no management view
	(ii) If management is unable to estimate the impact, reasons for the same:	During the first quarter audit discussions, queries were raised by the audit committee with the statutory auditors and current management pertaining to balances prior to 31 <sup>st</sup> March 2021 to which no proper satisfactory answers was available from both. In the absence of proper details on record, the audit committee thereby set up a sub-committee for legacy matters to look into the depth of the nature of transactions & the genuinity of the financial records. The legacy sub-committee thereafter appointed a chartered accounted firm and a company secretary firm to get into details of the financials prior to 31 <sup>st</sup> March 2021 which goes into a period of around 15 years & more (from FY 2009-10 & earlier to the period till 31 <sup>st</sup> March 2021) in coordination with the current management team and to follow up with the erstwhile board of directors / management team / statutory auditors / company secretary / audit committee members to get the required details of the un-explained transactions in order to disclose to the investor's a correct and fair view of the company. There has been complete non-cooperation by the erstwhile management team despite aggressive follow-up with them for the sought inputs and data. Since no proper inputs was available for the earlier financial years prior 1 <sup>st</sup> April 2021, the chartered accountant has given a report on the same to the legacy sub-committee. On the basis of review of their report, the board of directors, chairman audit committee / of the company has initiated a forensic audit for the un-explained transactions pertaining to the period prior to 1 <sup>st</sup> April 2021. The forensic audit is still in progress as it is taking time to gather the required information from the available records. The management is unable to estimate the impact of the same. Nevertheless, the new management by way of abundant precaution has made provisions on a conservative and prudent basis.
	(iii) Auditors' Comments on (i) or (ii) above:	We refer to our comment in para II (a) above.

Sl No.	Particulars	Remarks
a.	Details of Audit Qualification:	Following disclaimer has been given by the Auditors in the audit report on Consolidated Financial Statements of the Company:  3. The intangible assets amounting to INR 4,454.80 lakhs, were capitalized during the current year. However, the holding company's management has on the basis of internal evaluation made a loss allowance of INR 2,193.18 lakhs in the current financial year. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the management estimate for loss allowance amounting to INR 2,193.18 lakhs and recoverability of balance carrying value amounting to INR 1,732.80 lakhs in the consolidated financial results.
b.	Type of Audit Qualification: Qualified	Disclaimer of Opinion

	Opinion / Disclaimer of Opinion / Adverse Opinion	
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified by auditors and hence no management views
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Not quantified by auditors and hence no management views
	(ii) If management is unable to estimate the impact, reasons for the same:	During the financial year after resignation of the CEO & Managing Director (Mr Thompson Gnanum), Chairman (Mr Ashok Shah) and an Non-Executive director (Mr Sriram V), the audit committee while reviewing the legacy issues thought it was also appropriate to review the current financial statements pertaining to the current assets and capital assets of the company in order to present a true and fair financial statements to its shareholders. Considering this, the board of directors had formed a sub-committee to evaluate all Intangible capital projects. On the basis of the evaluation of the intangible projects capitalized during the year (amounting to 4454.80 lakhs) the sub-committee and basis valuation report from Kroll, an impairment of INR 2193.18 lakhs has been taken in the current financial year.
	(iii) Auditors' Comments on (i) or (ii) above:	We refer to our comment in para II (a) above.

Sl No.	Particulars	Remarks
a.	Details of Audit Qualification:	Following disclaimer has been given by the Auditors in the audit report on Consolidated Financial Statements of the Company: 4. The standalone financial statements of the subsidiary, 3i Infotech Holdings Private Limited (Mauritius) for the previous financial year ended as on 31 March, 2023, wherein the component auditor has qualified the opinion on the basis that while the presentation currency of the subsidiary is Mauritian Rupees. The foreign exchange gains / losses arising on translation from functional to presentation currency, have been recognized in the statement of profit and loss and retained earnings rather than in Other Comprehensive Income ("OCI")

		and Foreign Currency Translation Reserves ("FCTR"). This constitutes a departure from IAS 21. In the absence of sufficient and appropriate audit evidence about the carrying amount of FCTR and the amount that should have been recorded in OCI, the component auditor was unable to determine the adjustments needed to those items. Consequently, we are unable to determine the possible impact on the consolidated financial results of the Group in respect of this matter.
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified by auditors and hence no management views
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Not quantified by auditors and hence no management views

	(ii) If management is unable to estimate the impact, reasons for the same:	No material impact of the same on the consolidated financial statements. We are engaging with the subsidiary auditor of 3i Infotech Holdings Private Limited to address this issue. Further since the data sought for transactions in functional currency pertains to legacy period (prior to 1 <sup>st</sup> April 2021) which is more than 10 years old for which the inputs and data is limited for this period.
	(iii) Auditors' Comments on (i) or (ii) above:	We refer to our comment in para II (a) above.

**III. Signatories**

**For 3i Infotech Limited**

  
**Sanjay Rawa**  
 CFO

Place: Mumbai  
 Date: May 31, 2024

  
**Uttam Prakash Agarwal**  
 Audit Committee Chairman

Place:  
 Date: May 31, 2024

**For GMJ & Co**  
 Chartered Accountants  
 FRN: 103429W



**CA Madhu Jain**  
 Partner

M. No.: 155537  
 Place: Mumbai  
 Date: May 31, 2024

