



3i Infotech Limited

Corporate Identification Number (CIN): L67120MH1993PLC074411

Registered Office: Tower # 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703

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Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Members,

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Postal Ballot Rules"), seeking approval from the Members of 3i Infotech Limited (the "Company") for passing the following proposed Resolutions:

1. Authorisation for restructuring of the Company's debts;
2. Issue of equity shares against conversion of a portion of the outstanding amounts due to the Debt Realignment Scheme (DRS) Lenders;
3. Issue of non convertible redeemable preference shares against conversion of a portion of the outstanding amounts due to the DRS Lenders;
4. (i) Issue as part of the proposed restructuring of the outstanding US\$ 125,356,000 5 per cent. convertible bonds due 2017 (the "**5% Bonds**") and US\$ 2,435,000 4.75 per cent. convertible bonds due 2017 (the "**4.75% Bonds**", and together with the 5% Bonds, the "**Existing Bonds**"), new foreign currency convertible bonds to the holders of the Existing Bonds in exchange for the Existing Bonds, and
(ii) amend the terms of the outstanding Existing Bonds (to the extent not exchanged) including extension of the maturity and reduction of the conversion price;
5. Increase in Authorised Share Capital and Amendment to Memorandum of Association of the Company; and
6. Amendment to Articles of Association of the Company.

The resolutions and the relevant explanatory statements setting out the material facts and the reasons for the resolutions are appended herewith along with a Postal Ballot Form for your consideration.

The Company has, in compliance with Rule 22(5) of the Postal Ballot Rules, appointed Mr. Keyoor Bakshi, Partner, BNP & Associates, Company Secretaries or failing him, Mr. Jatin Popat, Partner, BNP & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the form duly completed in the attached self addressed postage prepaid envelope so as to reach the Scrutinizer on or before the close of working hours i.e. 6 p.m. on Thursday, March 17, 2016. In case you are exercising your vote in the Postal Ballot through e-voting, please refer the instructions for the same in the notes annexed to this Notice. The Scrutinizer will submit his report to the Company after completion of the scrutiny of votes. The results of the Postal Ballot will be announced on Friday, March 18, 2016. The results of the Postal Ballot will also be displayed on the website of the Company (www.3i-infotech.com), besides being communicated to the National Stock Exchange of India Limited and BSE Limited. The Resolutions will become effective on and from the date of announcement of the results.

RESOLUTIONS:

Item No. 1: Authorisation for restructuring of the Company's debts

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to applicable provisions, if any, of the Companies Act, 2013, as amended (the "**Companies Act**"), the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), applicable rules notified by the Central Government under the Companies Act, the Foreign Exchange Management Act, 2000 (the "**FEMA**"), as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000,

as amended, the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, as amended, the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, as amended, and rules and regulations made thereunder and in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depositary Receipt Mechanism) Scheme, 1993, in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "GOI"), Reserve Bank of India (the "RBI"), and Securities and Exchange Board of India (the "SEBI") and/or any other competent authorities, whether in India or abroad, including the Master Circular on External Commercial Borrowings and Trade Credits dated July 1, 2015, as amended, the External Commercial Borrowings (ECB) Policy – Revised Framework dated November 30, 2015 and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the listing agreements between the Company and the stock exchanges on which the Company's shares are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to necessary approvals, permissions, consents and sanctions of RBI and concerned statutory and other authorities (including but not limited to SEBI, the Joint Lenders' Forum / Corporate Debt Restructuring – Empowered Group, Government of India) and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any Committee(s) and/or any of the Director(s)/Person(s) authorized by the Board to exercise powers conferred by this Resolution to the extent permitted by law), the Company do hereby approve the terms of Debt Realignment Scheme (the "**DRS**") in relation to restructuring of the debts of the Company owed to all the lenders of the Company including the lenders of the Company's subsidiaries and lenders of facilities guaranteed by the Company and lessors of the Company (hereinafter referred to as the "**DRS Lenders**") and the proposal to restructure the outstanding foreign currency convertible bonds through consent solicitation process to seek the approval of the holders of the outstanding foreign currency convertible bonds (the "**FCCB**") and do hereby accord the consent, authority and approval to the Board to implement the terms of the Debt Realignment Scheme including any amendments thereto and the FCCB Restructuring and to discuss, negotiate, finalise, accept and execute necessary documents in terms of the Debt Realignment Scheme including but not limited to the realignment agreement, loan agreements, indenture of mortgage, equitable mortgage / deed of hypothecation, deed of pledge, guarantees and/or any other documents, deeds, writings and power of attorney as may be required by the lenders participating in the DRS (the "**Transaction Documents**"), and also to discuss, negotiate and finalise the terms of such Transaction Documents and to finalise, discuss and negotiate the terms of restructuring of debt of DRS Lenders, as per the terms set out in the DRS and as may be agreed between the respective parties and execute the necessary documents for the same."

Item No. 2 : Issue of equity shares against conversion of a portion of the outstanding amounts due to the DRS Lenders

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 42, Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the "**Companies Act**"), the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), applicable rules notified by the Central Government under the Companies Act, the Foreign Exchange Management Act, 2000 (the "**FEMA**"), as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "GOI"), Reserve Bank of India (the "RBI"), and Securities and Exchange Board of India (the "SEBI") and/or any other competent authorities, whether in India or abroad, and including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**"), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the listing agreements between the Company and the stock exchanges on which the Company's shares are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to necessary approvals, permissions, consents and sanctions of RBI and concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any Committee(s) and/or any of the Director(s) or person(s) authorized by the Board to exercise powers conferred by this Resolution to the extent permitted by law), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot to all the

lenders of the Company including the lenders of the Company's subsidiaries and lenders of facilities guaranteed by the Company and lessors of the Company (hereinafter referred to as the "**DRS Lenders**"), as mentioned in the explanatory statement, on a preferential basis to implement the terms of Debt Realignment Scheme, including any deviations thereto approved by relevant authorities, upto 100 Crore equity shares (the "**Equity Shares**"), at a price of ₹10/- per equity share as determined by the Board in accordance with the pricing guidelines prescribed under Chapter VII of the SEBI Regulations read with the Companies Act, at such time or times, in one or more tranches and on such terms and conditions and in such manner as the Board may think fit in its absolute discretion (the "**Preferential Issue**")."

"RESOLVED FURTHER THAT if any DRS Lender(s) is/are not in the position to subscribe to Equity Shares due to regulatory constraints or otherwise, then it/they shall have the option to choose a suitable structure such that the total equity conversion proposed by the Company remains unchanged while complying with the regulatory constraint or then it/they shall have the option to subscribe to equivalent value of non-convertible redeemable preference shares, subject to necessary approvals."

"RESOLVED FURTHER THAT the "relevant date" for the purpose of calculating the price of the Equity Shares for the purposes of the Preferential Issue is the date of the Meeting of the Corporate Debt Restructuring (CDR) empowered group i.e. Monday, December 28, 2015 and the floor price of the Equity Shares to be issued and allotted through the Preferential Issue shall be ₹10/- per equity share as determined in accordance with provisions of Chapter VII of the SEBI Regulations read with the Companies Act."

"RESOLVED FURTHER THAT the Equity Shares to be issued and allotted on preferential basis as aforesaid shall rank *paripassu* in all respects with the existing Equity Shares and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock-in as stipulated under the SEBI Regulations."

"RESOLVED FURTHER THAT the number of equity shares to be issued and allotted shall be subject to reconciliation between the DRS Lenders and the Company."

"RESOLVED FURTHER THAT subject to the provisions of SEBI Regulations and other applicable laws, the Board be and is hereby authorized to decide and approve the terms and conditions of the offer, issue and allotment of the Equity Shares and vary, modify or alter any of the relevant terms and conditions, including size of the Preferential Issue to the DRS Lenders, as it may deem expedient."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications on the offer, issue and allotment of the Equity Shares, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), resolving all questions of doubt that may arise in regard to the offer, issue and allotment of the Equity Shares and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and the decision of the Board shall be final and conclusive."

"RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to execute and deliver any and all other documents, papers and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Preferential Issue; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be."

Item No. 3 : Issue of non convertible redeemable preference shares against conversion of a portion of the outstanding amounts due to the DRS Lenders

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 42, Section 62 and other applicable provisions, if any, of the Companies Act, 2013, as amended (the "**Companies Act**"), the Companies Act, 1956, as amended (without reference

to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), applicable rules notified by the Central Government under the Companies Act, the Foreign Exchange Management Act, 2000 (the “**FEMA**”), as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “**GOI**”), Reserve Bank of India (the “**RBI**”), and Securities and Exchange Board of India (the “**SEBI**”) and/or any other competent authorities, whether in India or abroad, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges on which the Company’s shares are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to necessary approvals, permissions, consents and sanctions of RBI and concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall include any Committee(s) and/or any of the Director(s) or person(s) authorized by the Board to exercise powers conferred by this Resolution to the extent permitted by law), the consent, authority and approval of the Company be and is hereby accorded to offer, issue and allot, non convertible redeemable preference shares of face value of ₹ 5/- each, redeemable on March 15, 2026 (subject to the terms of early redemption, as agreed) and such preference shares would carry a dividend of 0.10% per annum (“**Class B Preference Shares**”), against the conversion of part of certain outstanding credit facilities granted by all the lenders of the Company including the lenders of the Company’s subsidiaries and lenders of facilities guaranteed by the Company and lessors (hereinafter referred to as the “**DRS Lenders**”), including interest (outstanding and accrued) provided the total number of Class B Preference Shares to be issued shall be upto 150 Crore shares of ₹ 5 (*five*) each, provided that if any DRS Lender(s) is/are not in the position to subscribe to the aforesaid Class B Preference Shares or Equity Shares due to regulatory constraints or otherwise, then it/they shall have the option to subscribe to the non convertible redeemable preference shares of face value of ₹ 1/- each with premium of ₹ 4/- each, redeemable on March 15, 2026 (subject to any early redemption in accordance with the terms of the issue) alongwith the premium amount and such preference shares would carry a dividend of 0.10% per annum (“**Class C Preference Shares**”) provided the total number of Class C Preference Shares to be issued shall be upto 105 Crore shares of ₹ 1 (*one*) each, provided that the Company is in receipt of necessary approvals for such issue of Preference Shares”.

“**RESOLVED FURTHER THAT** the aforesaid preference shares (Class B Preference Shares and Class C Preference Shares) shall (i) except as provided under the Companies Act, not carry any voting rights; (ii) not be eligible to participate in any surplus fund and/or surplus assets and profits remaining after repayment of the entire capital in the event of winding up of the company; (iii) be cumulative in nature for payment of dividend; (iv) have priority in payment of dividend and repayment of capital vis-a-vis equity shares; (v) not be convertible into equity shares of the Company; and (vi) have the same rights including pari-passu rights on redemption reserve.”

“**RESOLVED FURTHER THAT** the number of non convertible redeemable preference shares to be issued and allotted shall be subject to reconciliation between the DRS Lenders and the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of non convertible redeemable preference shares as contemplated above and for the purpose of giving effect to this issue and allotment of non convertible redeemable preference shares, to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or appropriate for such purpose.”

Item No. 4 : (i) Issue as part of the proposed restructuring of the outstanding US\$ 125,356,000 5 per cent convertible bonds due 2017 (the “5% Bonds”) and US\$ 2,435,000 4.75 per cent. convertible bonds due 2017 (the “4.75% Bonds”, and together with the 5% Bonds, the “Existing Bonds”), new foreign currency convertible bonds to the holders of the Existing Bonds in exchange for the Existing Bonds, and (ii) amend the terms of the outstanding Existing Bonds (to the extent not exchanged) including extension of the maturity and reduction of the conversion price.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the “**Companies Act**”), the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), applicable rules notified

by the Central Government under the Companies Act, the Foreign Exchange Management Act, 2000 (the “**FEMA**”), as amended, including the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, as amended, the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “**GOI**”), Reserve Bank of India (the “**RBI**”), and Securities and Exchange Board of India (the “**SEBI**”) and/or any other competent authorities, whether in India or abroad, and including the Master Circular on External Commercial Borrowings and Trade Credits dated July 1, 2015, as amended, the External Commercial Borrowings (ECB) Policy – Revised Framework dated November 30, 2015, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges on which the Company’s shares are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to necessary approvals, permissions, consents and sanctions of RBI and concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall include any Committee(s) and/or any of the Director(s) or person(s) authorized by the Board to exercise powers conferred by this Resolution to the extent permitted by law), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of foreign currency convertible bonds, which are convertible into Equity Shares (collectively the “**New Bonds**”) and such number of Equity Shares upon conversion of the principal amount of the New Bonds and Existing Bonds (as amended pursuant to the proposed restructuring) outstanding, each in one or more tranches, to eligible persons (the “**Investors**”) as may be decided by the Board in its discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 3000 million or equivalent thereof, in one or more foreign currency and/or Indian Rupees, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian Rupees, as the Board at its absolute discretion may deem fit and appropriate.”

“**RESOLVED FURTHER THAT** the issue to the holders of the New Bonds and the Existing Bonds (as amended pursuant to the proposed restructuring) shall be, *inter alia*, subject to the following terms and conditions:

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the New Bonds at the same price at which the same are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the New Bonds into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.”

“**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions, the Equity Shares (upon conversion of the New Bonds and the Existing Bonds (as amended pursuant to the proposed restructuring) to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** subject to the approval of RBI, the conversion price for the New Bonds and the amended Existing Bonds shall be Rs. 10 per Equity Share or the ‘floor price’ as determined in accordance with the Issue of

Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance and RBI, the relevant date for which shall be the date of the meeting in which the Board decides to open the issue of such New Bonds”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the New Bonds may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional New Bonds and the Board, subject to applicable laws, regulations and guidelines, be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such New Bonds that are not subscribed.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the New Bonds and the Equity Shares (upon conversion of the New Bonds and Existing Bonds (as amended pursuant to the proposed restructuring)) are to be issued and allotted, number of New Bonds and the Equity Shares (upon conversion of the New Bonds and the Existing Bonds (as amended pursuant to the proposed restructuring)) to be allotted, issue price, face value, premium amount on issue/conversion of the New Bonds and the Existing Bonds (as amended pursuant to the proposed restructuring), if any, rate of interest, execution of various transaction documents, in respect of any New Bonds and the Equity Shares (upon conversion of the New Bonds and the Existing Bonds (as amended pursuant to the proposed restructuring)), as may be required either on *pari-passu* basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of New Bonds and the Equity Shares (upon conversion of the New Bonds and the Existing Bonds (as amended pursuant to the proposed restructuring)) and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** the Board or any other Committee thereof be and is hereby authorized to engage / appoint the Lead Managers, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of New Bonds and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such New Bonds on one or more national and/or international stock exchange(s).”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of (i) New Bonds, and (ii) the Existing Bonds (as amended pursuant to the proposed restructuring), or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking *pari-passu* with the existing Equity Shares of the Company in all respects.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to constitute or form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary /Chief Financial Officer or other persons authorized by the Board for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the New Bonds and the Equity Shares (as amended pursuant to the proposed restructuring) and (ii) the Equity Shares (upon conversion of the New Bonds and the Existing Bonds) (as amended pursuant to the proposed restructuring).”

Item No. 5 : Increase in Authorised Share Capital and Amendment to the Memorandum of Association of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**) and applicable rules notified by the Central Government under the Companies Act, the Authorized Share Capital of the Company be increased from the existing ₹ 1200,00,00,000 (Rupees One Thousand Two Hundred Crores only) divided into 110,00,00,000 (One Hundred Ten Crore) equity shares of ₹10/- each and 20,00,00,000 (Twenty Crore) preference shares of ₹ 5/- each to ₹ 2955 Crores (Rupees Two Thousand Nine Hundred Fifty Five Crores only) divided into 200 Crore (Two Hundred Crore) equity shares of ₹ 10/- each, 20 Crore (Twenty Crore) preference shares of ₹ 5/- each (Class A Preference Shares), 150 Crore (One Hundred Fifty Crore) preference shares of ₹ 5/- each (Class B Preference Shares), 105 Crore (One Hundred Five Crore) preference shares of ₹ 1/- each (Class C Preference Shares) and consequently the existing Clause V of the Memorandum of Association of the Company, relating to share capital, be substituted by the following new Clause V:

“Clause V:

The authorised capital of the Company is ₹ 2955 Crores (Rupees Two Thousand Nine Hundred Fifty Five Crores only) divided into 200 Crore (Two Hundred Crore) equity shares of ₹10/- each, 20 Crore (Twenty Crore) preference shares of ₹ 5/- each (called Class A Preference Shares), 150 Crore (One Hundred Fifty Crore) preference shares of ₹5/- each (called Class B Preference Shares) and 105 Crore (One Hundred Five Crore) preference shares of ₹1/- each (called Class C Preference Shares), with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital of the Company and to consolidate or sub-divide the shares in the capital for the time being into several classes and to attach thereto, respectively, such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify to abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association of the Company for the time being.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee(s) and/or any of the Director(s)/Person(s) authorized by the Board of Directors of the Company to exercise powers conferred by this Resolution to the extent permitted by law) be and is are hereby authorized to take all such steps and actions as may be considered necessary or expedient for giving effect to this resolution and to settle any questions that may arise in this regard.”

Item No. 6 : Amendment to the Articles of Association of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, applicable rules notified by the Central Government under the Companies Act and subject to any other laws and regulations, as may be applicable, existing Article 5 of the Articles of Association of the Company be substituted by the following new Article 5:

“5. The authorised capital of the Company is ₹ 2955 Crores (Rupees Two Thousand Nine Hundred Fifty Five Crores only) divided into 200 Crore (Two Hundred Crore) equity shares of ₹ 10/- each, 20 Crore (Twenty Crore) preference shares of ₹ 5/- each (called Class A Preference Shares), 150 Crore (One Hundred and Fifty Crore) preference shares of ₹ 5/- each (called Class B Preference Shares) and 105 Crore (One Hundred Five Crore) preference shares of ₹ 1/- each (called Class C Preference Shares).”

Notes:

- (a) The explanatory statement with reasons for proposing the resolutions as stated in the Notice is annexed hereto.
- (b) The Postal Ballot Notice is being sent to all the Members whose names appear in the Register of Members / Statements of beneficial ownership maintained by the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on Friday, February 5, 2016.
- (c) The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on Friday, February 5, 2016.
- (d) In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, this Postal Ballot Notice is being sent by e-mail to

those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their Depository Participants (DP) (in respect of shares held in electronic form) and made available to the Company by the Depositories. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form through Speed Post / Registered Post / Courier.

- (e) The Members holding shares in physical form are requested to notify change in their address, if any, to the Company at the Registered Office. The Members holding shares in electronic form may update such details with their respective Depository Participant(s).
- (f) In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 to the extent applicable and Clause 44 under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with NSDL for facilitating remote e-voting to enable the Members to cast their votes electronically.
- (g) Kindly note that the Members can opt for only one mode of voting i.e., either by post or by e-voting. If the Members opt for e-voting, then they should not vote by post and vice versa. However, in case Members cast their vote by post and e-voting, then voting done through e-voting shall prevail and voting done by post will be treated as invalid.
- (h) In case a Member is desirous of obtaining Postal Ballot notice or form in printed form or a duplicate one, the Member may write to the Company or send an e-mail to investors@3i-infotech.com.
- (i) The Postal Ballot Notice has been uploaded on the Company's website viz., www.3i-infotech.com and www.evoting.nsdl.com.
- (j) All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts are open for inspection by the Members at the Registered Office of the Company between 10:30 a.m. and 12:30 p.m. on all working days (except Saturdays, Sundays and National Holidays), from the date hereof up to Thursday, March 17, 2016.

(k) **Instructions for Voting:**

A. Through Physical Postal Ballot Form:

1. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send the duly signed form to the Scrutinizer in the enclosed self-addressed prepaid postage Business Reply Envelope so as to reach the Scrutinizer before close of working hours 6:00 p.m. on Thursday, March 17, 2016. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Member(s) has not been received.
2. Postage charges will be borne and paid by the Company. However, in case a Member sends the Postal Ballot Form by courier or registered post or delivers it in person at his expense, such Postal Ballot Form will also be accepted.
3. No other form or photocopy of the Postal Ballot Form will be permitted/ accepted.

B. Through E-Voting:

In case of Members receiving Postal Ballot intimation by e-mail:

1. Open e-mail received from NSDL and open PDF file viz. "3i-Infotech e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
3. Click on Shareholder – Login.
4. Put user ID and password as initial password noted in step 1 above. Click Login.
5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended

not to share your password with any other person and to take utmost care to keep your password confidential.

6. In case, you have already registered with NSDL for e-voting before and have an existing password corresponding to this user ID, ignore points 1, 4 and 5 above and login with your user ID.
7. Home page of e-voting opens. Click on e-voting: Active E-voting Cycles.
8. Select "EVEN" (E Voting Event Number) of 3i Infotech Limited.
9. Now you are ready for e-voting as Cast Vote page opens.
10. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
11. Upon confirmation, the message "Vote cast successfully" will be displayed.
12. Please note that once you have voted on the resolution and clicked on "Submit" and "Confirm", you will not be allowed to modify your vote.
13. Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to scrutinizer3iinfotechpb@gmail.com with a copy marked to evoting@nsdl.co.in.
14. You can also update your e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

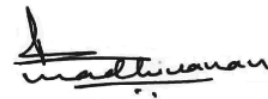
In case of Members receiving Postal Ballot Form by Speed Post / Registered Post / Courier:

Initial password is provided as below at the bottom of the Postal Ballot Form to be used to exercise your vote in respect of the proposed resolutions:

EVEN (E-Voting Event Number)	USER ID	PASSWORD

- (l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and the e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- (m) The e-voting period will commence on Wednesday, February 17, 2016 (9:00 a.m.) and end on Thursday, March 17, 2016 (6:00 p.m.) (both days inclusive). During this period Members, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL thereafter.

By Order of the Board



Madhivanan Balakrishnan
Managing Director & Global CEO

Navi Mumbai
February 5, 2016

Explanatory Statement and reasons for proposing the Resolutions as stated in the Notice

(Statement setting out material facts under Section 102 of the Companies Act, 2013)

Item No. 1 and 4

In terms of the Corporate Debt Restructuring (“CDR”) mechanism envisaged under the guidelines issued by the Reserve Bank of India on August 23, 2011, the Company had restructured its Rupee debts with various lender banks vide a Master Restructuring Agreement dated March 30, 2012 (“MRA”) signed for this purpose. In terms of the package agreed under the MRA (“CDR package”), certain portion of the secured/unsecured debt exposure of each lender and interest on the remaining exposure for the period October 01, 2011 till March 31, 2013 was serviced by allotting equity shares towards the same under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Company was bound to pay interest @ 14.75% on the remaining portion of debt from April 1, 2013 till the date of final settlement of debt. The principal amount of remaining restructured debt was also repayable in structured monthly installments commencing from October 31, 2013.

Currently, the Company’s operations are showing all signs of stabilizing as seen by the consistent operating results and the continuing positive EBIDTA over a period of time.

However, the interest burden and depreciation continue to result in the Profit after Tax of the Company being negative. The debt burden of the Company is simply too high for it to continue remaining profitable and also make payments towards principal and interest. The Company also continues to encounter apprehension in the minds of its customers about the future of the Company owing to the aforementioned huge debt burden and the negative net worth. This also impacts the pipeline of new orders from customers resulting in loss of revenue and calls for urgent steps to realign the entire existing debt of the Company.

In the light of this background, the Board of Directors are of the opinion that the lenders may again be approached for considering an alternate plan for a comprehensive Debt Realignment Scheme (DRS) which would serve the interest of the lenders and offer the possibility of value enhancement and simultaneously support the sustainability and future growth of the Company.

Accordingly, a DRS proposal was placed at the meeting of the Joint Lenders’ Forum (JLF) on November 2, 2015 and a super majority of the lenders at the JLF were in-principle agreeable to consider the DRS package, subject to approval of their respective competent authorities. In the meeting of the JLF, it was agreed that the DRS shall be implemented through the CDR mechanism, i.e. the lenders who are currently not a party to the MRA shall accede to the same and then they shall participate in the DRS. Further, the CDR Empowered Group at its meeting held on Monday, December 28, 2015, duly noted floating of the DRS package to all the lenders of the Company, including the lenders of the Company’s subsidiaries, lenders of facilities guaranteed by the Company and lessors (hereinafter referred to as the “DRS Lenders”). Accordingly, the Company is in the process of procuring approvals of individual lenders.

The highlights of the DRS Package as proposed by the Company for all the DRS Lenders are as under:

1. Conversion of 35% of principal to Non-Convertible Redeemable Preference Shares of face value ₹ 5/- each at par (“Class B Preference Shares”) redeemable on March 15, 2026 and carrying a dividend of 0.10% p.a.
2. Conversion of 40% of principal into Equity Shares of the Company at face value.
3. Retention of balance debt as residual loan to the Company:
 - Retain 25% of principal in the Company
 - Interest at Base rate of IDBI Bank (Monitoring Institution for CDR), subject to maximum interest rate of 10% payable on monthly basis
 - Moratorium on principal upto 31st March 2018
 - Principal repayable from April 2018 in equal monthly installments over 6 years
4. Cut-off date: April 1, 2016
5. Lenders to waive all interest due till March 31, 2016
6. For lenders who have not been serviced at par with other lenders with respect to interest to be allotted equity shares of the Company at face value, for equivalent amount subject to approval of Monitoring Committee.
7. Scheme to be applicable to all lenders of the Company, including lenders to the Company’s overseas subsidiaries, exposure where the Company has given corporate guarantee & lessors collectively called “DRS Lenders”. FCCB restructuring package to be in-principally approved by the Joint Lenders’ Forum (JLF).

8. Existing security position/package to continue. However, all DRS Lenders to have pari-passu charge on cash flow of the Company.
9. Existing covenants to continue including Trust and Retention Account (TRA account).

Any deviation to the implementation of DRS package, if required, due to regulatory or any other material issues, shall be subject to necessary approvals.

The Company is also contemplating restructuring of the outstanding US\$ 2,435,000 4.75% convertible bonds due 2017 and US\$125,356,000 5% convertible bonds due 2017 (collectively, '**Existing Bonds**') issued pursuant to the authorization of the shareholders of the Company (by way of postal ballot) granted pursuant to the resolutions dated March 7, 2007 and January 30, 2012 respectively. The broad contours of such proposal are:

1. Waiver of the accrued and unpaid interest in respect of the Existing Bonds upto March 31, 2016;
2. To exchange two Existing Bonds (having an aggregate principal amount of US\$ 2,000) outstanding on a predetermined date (the "Reference Date") for one new foreign currency convertible bond (each a "New Bond") having, at issuance, a principal amount of US\$ 1,000. Each New Bond will have the following key terms:
 - a. Tenure: The tenure of each New Bond shall be nine years from the date of issuance.
 - b. Conversion:
 - A. portion of the principal amount of each New Bond will be mandatorily converted into Equity Shares at a fixed conversion price on the pre determined date following the date of issuance of the New Bonds; and
 - B. portion of the principal amount of each New Bond will be convertible into Equity Shares, at the option of the holder of the New Bond, at a fixed conversion price up to a date which is a month prior to the fourth anniversary of the date of issuance of the New Bonds.
 - c. Redemption: The New Bonds, to the extent not converted, will be redeemed in six annual instalments, with the first instalment falling due on the fourth anniversary of the date of issuance of the New Bonds.
 - d. Coupon: The New Bonds will carry a fixed interest rate.

To the extent, the above proposal is not accepted by any holder of the Existing Bonds, the Company proposes to hold separate meetings of the holders of the 4.75% Bonds and the 5% Bonds to modify the terms of each of the 4.75% Bonds and the 5% Bonds so as to align their respective terms with the terms of the New Bonds. The amendments to the terms of the Existing Bonds are referred to as the 'Amendments' and the Existing Bonds after the Amendments are referred to as the 'Amended Existing Bonds'. The Amended Existing Bonds will have the following key terms:

- a. Principal Amount: the principal amount of each Existing Bond will be amended from US\$ 1,000 to US\$ 500.
- b. Tenure: The Amended Existing Bond shall mature nine years from the date of issuance of the New Bonds.
- c. Conversion:
 - A. portion of the principal amount of each Amended Existing Bond will be mandatorily converted into Equity Shares at a fixed conversion price on a pre determined date following the date of issuance of the New Bonds; and
 - B. portion of the principal amount of each Amended Existing Bond will be convertible into Equity Shares, at the option of the holders of the Amended Existing Bonds at a fixed conversion price, up to a date which is a month prior to the fourth anniversary of the date of issuance of the New Bonds.
- d. Redemption: The Amended Existing Bonds, to the extent not converted, will be redeemed in six annual instalments, with the first instalment falling due on the fourth anniversary of the date of issuance of the New Bonds.
- e. Coupon: The Amended Existing Bonds will carry a fixed interest rate.

In relation to the points above, the issuance of (i) the New Bonds and (ii) the equity shares (upon conversion of the New Bonds and the Amended Existing Bonds (i.e. the Existing Bonds, as amended pursuant to the proposed restructuring) shall be pursuant to resolutions set out under Item No. 4.

The proposed restructuring of foreign currency convertible bonds will provide time to the Company to clear overdues and overcome cash flow mismatches. It also enables the Company to continue operations on a status-quo basis, and positions the Company to potentially repay the bondholders through internal accruals in the future. Furthermore, through the said restructuring, the Company would be able to provide an equitable solution to all the debt holders of the Company, to the extent permissible under the current circumstances.

The Special Resolution as provided in Item No.1 shall be deemed to be an authorisation by the Shareholders of the Company for, inter alia, the proposed Debt Realignment Scheme of the Company while the Company simultaneously approaches the DRS Lenders for approval. Additionally, the Special Resolution as provided in Item No.1 shall be deemed to be an authorisation by the Shareholders of the Company for, inter alia, the proposed restructuring of the Existing Bonds through consent solicitation process to seek the approval of the holders of the Existing Bonds.

The Board of Directors of your Company seek your approval for the DRS package and the restructuring of the foreign currency convertible bonds so that the entire debt of the Company can be realigned.

Your Directors recommend passing of the above Resolutions, as set out in Item Nos. 1 and 4, as Special Resolutions.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are in any way concerned or interested in the said Resolutions, except to the extent of his/her holding of the shares or stock options in the Company.

Item No. 2

Pursuant to the approval to Item No. 1 and as per the restructuring proposal contemplated under DRS, the Company is required to issue equity shares on a preferential basis to all its DRS Lenders.

The said issuance of equity shares shall be in accordance with the provisions of Chapter VII - "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ("ICDR Regulations") and other applicable laws in this regard. Further, if any DRS Lender is not in a position to subscribe to the Equity Shares of the Company due to regulatory constraints or otherwise, then they shall have the option, subject to necessary approvals, to subscribe to the Non-Convertible Redeemable Preference Shares of face value ₹1/- each with premium of ₹4/- each carrying a dividend of 0.10% p.a. and redeemable on March 15, 2026 ("Class C Preference shares") which would also be redeemable on the due date (March 15, 2026) along with the face value.

The following details of the proposed preferential issue of equity shares are disclosed in accordance with the provisions of Companies Act, 2013 read with Rule 13 (2) of Companies (Share Capital and Debentures) Rules, 2014 and ICDR Regulations:

a) The Object of the Preferential Issue:

The object of the preferential issue is realignment of outstanding exposures of the DRS Lenders of the Company by issuing equity shares at a price as determined in accordance with the ICDR Regulations.

b) The total number of shares/securities to be issued:

Upto 100 Crore equity shares would be issued in one or more tranches in accordance with the terms of the DRS package. This proposed number is subject to reconciliation with each DRS Lender and any deviation of the DRS package subject to necessary approvals.

c) The Price at which the allotment is proposed:

The equity shares would be allotted at a price of ₹10/- per equity share as determined in accordance with Regulation 76 of the ICDR Regulations, read with the Companies Act, 2013.

d) The basis on which the price for issue of shares has been arrived at along with the Valuation Report of Registered Valuer:

The price for issue of shares is determined as per the ICDR Regulations and not as per the Valuation Report of Registered Valuer as per proviso of Rule 13 (1) of Companies (Share Capital and Debenture) Rules, 2014.

e) Relevant Date with reference to which the price has been arrived at:

Since the current restructuring has been duly noted by the CDR Empowered Group and is proposed to be implemented through the CDR documentation, in terms of the proviso to Clause 71(a) of Chapter VII of the ICDR Regulations, the relevant date for the pricing of equity shares shall be the date of noting of the restructuring scheme by the CDR Empowered Group, i.e. December 28, 2015.

f) Class of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to all the lenders of the Company, including the lenders of the Company's subsidiaries, lenders of facilities guaranteed by the Company and lessors (the "DRS Lenders").

g) The intention or proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential offer:

None of the Promoters, Directors or Key Managerial Personnel will be issued any equity shares.

h) Proposed time within which the Preferential Issue shall be completed:

The equity shares will be allotted within the time limit, if any, specified under the ICDR Regulations.

i) The names of the proposed allottees, the percentage of post preferential issue capital that may be held by them:

The allotment is proposed to be made to the DRS Lenders of the Company as mentioned below, viz.

Allahabad Bank, Axis Bank Limited, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, DBS Bank Limited, Development Credit Bank, Export Import Bank of India, HDFC Bank Limited, Hewlett-Packard Financial Services (India) Private Limited, ICICI Bank Limited, IDBI Bank Limited, Indian Overseas Bank, Kotak Mahindra Bank Limited, L&T Infrastructure Finance Limited, OPC Asset Solutions Private Limited, Oriental Bank of Commerce, RBL Bank Limited (formerly The Ratnakar Bank Limited), Reliance Capital Finance Services Limited, Rentworks India Private Limited, SBI Global Factors Limited, SREI Equipment Finance Private Limited, Standard Chartered Bank, State Bank of Hyderabad, State Bank of India, State Bank of Travancore, Tata Capital Finance Services Limited, The J and K Bank Limited, United Bank of India, Yes Bank Limited.

After the preferential issue, the DRS Lenders may collectively hold upto 65% of the paid-up capital of the Company. The number of shares proposed to be issued to each DRS Lender is subject to reconciliation between the Company and the DRS Lender.

j) Change in control, if any, in the Company that would occur consequent to the preferential issue:

The Company believes that the allotment proposed to be made to the DRS Lenders will not trigger any change in control as post allotment, no individual DRS Lender will hold more than 25% equity shares of the Company. Further, the Company is a professionally run, board controlled company and will continue to be so after the allotment of equity shares to the DRS Lenders.

k) The number of persons to whom allotment on a preferential basis is already made during the year in terms of securities as well as price:

During the year, 1,69,70,618 equity shares of ₹10/- each were allotted to DBS Bank Limited on October 7, 2015 on a preferential basis in its capacity as a CDR Lender at a price of ₹19.74/- per share.

l) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

The allotment would be done as per the Debt Realignment Scheme agreed with the DRS Lenders mentioned above.

m) The pre and post issue Shareholding pattern of the Company:

Sr. No.	Name of the category	Pre-issue as on February 5, 2016		Post Issue	
		No. of shares held	%	No. of shares held	%
A	Promoters' Holding:				
1	Indian				
	Trusts - IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	30,560,488	4.77	30,560,488	1.86
	Individual	Nil	Nil	Nil	Nil
	Bodies Corporate	Nil	Nil	Nil	Nil
	Sub Total	30,560,488	4.77	30,560,488	1.86
2	Foreign Promoters	Nil	Nil	Nil	Nil
	Sub Total (A)	30,560,488	4.77	30,560,488	1.86
B	Non-Promoters' holding:				
1	Institutional Investors	212,827,996	33.21	1,087,004,423	66.25
2	Non-Institution:				
	Private Corporate Bodies	45,467,320	7.10	171,290,893	10.44
	Directors and Relatives	34,588	0.01	34,588	0.00

Sr. No.	Name of the category	Pre-issue as on February 5, 2016		Post Issue	
		No. of shares held	%	No. of shares held	%
	Indian Public	310,281,260	48.42	310,281,260	18.91
	Others (Including NRIs)	41,632,276	6.50	41,632,276	2.54
	Sub Total (B)	610,243,440	95.23	1,610,243,440	98.14
	Grand Total	640,803,928	100.00	1,640,803,928	100.00

- n) The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees: *Not Applicable in terms of proviso to Rule 73(1)(e) of ICDR Regulations.*
- o) The Company hereby undertakes, as per the requirement of Regulation 73(1)(f) of ICDR Regulations, that the price of the equity shares shall be re-computed in terms of Regulation 76B of these regulations where the Company is required to do so.
- p) The Company hereby undertakes that if the amount payable on account of the re-computation of price, if applicable, is not paid within the time stipulated in ICDR Regulations, the equity shares shall continue to be locked-in till the time such amount is paid by the allottees.
- q) **Certificate from Statutory Auditor:**
As per Regulation 73(2) of SEBI(ICDR) Regulation, 2009, a certificate issued by the statutory auditor certifying that the minimum issue price for the proposed preferential issue is ₹10/- for the relevant date of December 28, 2015 based on the pricing formula prescribed under Clause 76 of Chapter VII of ICDR Regulations and the proposed preferential issue is being made in accordance with the requirements of the ICDR Regulations. The said certificate is open for inspection by the Members at the Registered Office of the Company between 10:30 a.m. and 12:30 p.m. on all working days (except Saturdays, Sundays and National Holidays), from the date hereof up to Thursday, March 17, 2016.
- r) **Lock-in Period:**
The equity shares allotted pursuant to the DRS package to the DRS Lenders shall be locked-in as per the provisions of the ICDR Regulations.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of equity shares of the Company.

The equity shares allotted or arising out of issuance and allotment of equity shares would be listed on the BSE Limited and the National Stock Exchange of India Limited. The issue and allotment would be subject to the availability of regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Listing Agreement.

As per provisions of Section 62 of the Companies Act, 2013, allotment of shares to persons other than existing shareholders requires consent of the Shareholders by a Special Resolution. Since the Special Resolutions for the issuance of equity shares proposed in the Notice may result in the issue of shares of the Company to persons other than Members of the Company, the consent of the Members is being sought pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 read with rules thereunder and in terms of the provisions of the Listing Agreement between the Company and the Stock Exchanges where the equity shares of the Company are listed.

Hence, approval of the Members through Postal Ballot is being sought for the abovementioned resolution.

Your Directors recommend passing of the above Resolutions set out in Item No. 2 as a Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are in any way concerned or interested in the said Resolution, except to the extent of his/her holding of the shares or stock options in the Company.

Item No. 3

In terms of the DRS scheme, the Company is required to issue Non-Convertible Redeemable Preference Shares of face value ₹ 5/- each carrying a dividend of 0.10% p.a. ("Class B Preference shares") at par against 35% of principal amount of debt owed to the DRS Lenders, provided that if any DRS Lender is not in a position to subscribe to the said Class

B Preference Shares due to regulatory constraints or otherwise, then they shall have the option to subscribe to the Non-Convertible Redeemable Preference Shares of face value ₹1/- each with premium of ₹4/- each carrying a dividend of 0.10% p.a. ("Class C Preference shares") which would also be redeemable on the due date along with the face value. Both preference share types (Class B and Class C) will have the same ranking and treatment with respect to dividend and redemption. In addition, if any DRS Lender is not in a position to subscribe to the Equity Shares of the Company due to regulatory constraints or otherwise, then that Lender shall have the option to subscribe to Class C Preference Shares, subject to receipt of necessary approvals. The existing preference shares of the Company will be classified as Class A Preference Shares.

In addition to the material facts set out in the explanatory statement under Item No. 1, the details of the preference shares sought to be issued to the DRS Lenders as required to be disclosed under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

- a) The size of the issue and number of preference shares to be issued and nominal value of each share shall be up to:
₹ 750 Crores consisting of 150 Crore 0.10% Cumulative Non-Convertible Redeemable Preference Shares of face value ₹5 each redeemable on March 15, 2026 (Class B Preference Shares"); and
₹ 105 Crores consisting of 105 Crore 0.10% Cumulative Non-Convertible Redeemable Preference Shares of face value ₹1 each with premium of ₹4 each redeemable on March 15, 2026 (Class C Preference Shares).
(Class B Preference Shares and Class C Preference Shares are collectively referred to as the "NCPS")
- b) The nature of such shares i.e. cumulative or non - cumulative, participating or non – participating, convertible or non – convertible:
The NCPS proposed to be issued shall be cumulative, non-participating and non-convertible.
- c) The objectives of the issue:
The issue is being made with the objective of realigning the debt of the Company.
- d) The manner of issue of shares:
NCPS shall be issued in demat form in one or more tranches, subject to reconciliation of figures between the Company and each DRS Lender.
- e) The price at which such shares are proposed to be issued:
The Class B Preference Shares are proposed to be issued at par i.e. at the face value of ₹5/- per share.
The Class C Preference Shares are proposed to be issued at face value of ₹1/- per share plus premium of ₹4/- per share.
- f) The basis on which the price has been arrived at:
Since the Company is in arrears of Cumulative Preference Dividend relating to existing Preference Shares, due to losses incurred in the previous financial years, it is proposed to issue the preference shares at par at the face value of ₹5/- each. However, in case any DRS Lender is not in a position to subscribe to the said Class B Preference Shares due to regulatory constraints or otherwise, Class C Preference Shares of face value ₹1/- each shall be issued to such DRS Lender at a premium of ₹4/- per share. In addition, if any DRS Lender is not in a position to subscribe to the Equity Shares of the Company due to regulatory constraints or otherwise, then that Lender shall have the option to subscribe to Class C Preference Shares, subject to receipt of necessary approvals.
- g) The terms of issue, including terms and rate of dividend on each share, etc.
 - The Class B Preference Shares are proposed to be issued at par i.e. at the face value of ₹5/- per share carrying a dividend of 0.10% p.a and redeemable on March 15, 2026.
 - The Class C Preference Shares are proposed to be issued at face value of ₹1/- per share plus premium of ₹4/- per share carrying a dividend of 0.10% p.a and redeemable on March 15, 2026.
- h) The terms of redemption, including the tenure of redemption, redemption of shares at premium:
Class B Preference Shares are redeemable at par on March 15, 2026 and Class C Preference Shares are redeemable alongwith premium on March 15, 2026 (in each case, subject to the terms of early redemption).
- i) The manner and modes of redemption:
The redemption of all classes of preference shares shall be in cash or any other mode mutually agreed by and between the Company and the Lenders and shall be redeemed on March 15, 2026.

j) The current shareholding pattern of the Company:

The current equity shareholding pattern of the Company as on February 5, 2016 is given under the explanatory statement to Item No. 2 above. The current shareholding pattern of the preference shares (that will be classified as Class A Preference Shares) is given below:

Class A Preference Shares		
Category	No. of Preference shares held	% of holding
Promoters & Promoter Group	13,00,00,000	100
Public	Nil	Nil
Total	13,00,00,000	100

Class B and Class C Preference Shares are a new class of preference shares of the Company and currently, no such preference shares have been issued and allotted by the Company.

k) The expected dilution in equity share capital upon conversion of preference shares:

Not applicable as both classes of preference shares are non-convertible in nature.

Your Directors recommend passing of the above Resolution set out in Item No. 3 as a Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are in any way concerned or interested in the said Resolution, except to the extent of his/her holding of the shares or stock options in the Company.

Item No. 5 and 6

The Company will be required to issue equity and preference shares in order to meet its objectives stated above. Therefore, it is proposed to appropriately increase the authorised capital of the Company, in a manner that it is adequate to accommodate the additional equity. Currently, the Authorised Share Capital of the Company is ₹ 1200 Crores, consisting of 110 Crore Equity Shares of ₹ 10 each amounting to ₹ 1100 Crores and 200,000,000 Cumulative Preference Shares of ₹ 5 each amounting to ₹100 Crores and the paid-up share capital of the Company as on the date of this Notice is ₹ 701.19 Crores, consisting of 63,61,86,583 Equity Shares of ₹ 10 each amounting to ₹636.19 Crores and 13,00,00,000 Cumulative Preference Shares of ₹ 5 each amounting to ₹ 65 Crores. It is proposed to increase the authorised capital of the Company from ₹ 1200 Crores to ₹ 2955 Crores consisting of 200 Crore Equity Shares of ₹ 10 each amounting to ₹ 2000 Crores, 20 Crore Cumulative Preference Shares of ₹ 5 each amounting to ₹ 100 Crores (Class A Preference Shares), 150 Crore Cumulative Preference Shares of ₹ 5 each amounting to ₹ 750 Crores (Class B Preference Shares) and 105 Crore Cumulative Preference Shares of ₹ 1 each amounting to ₹105 Crores (Class C Preference Shares).

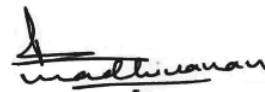
Consequently, it is proposed to make appropriate alterations in the Memorandum and Articles of Association of the Company, pursuant to Sections 14 and 61 of the Companies Act, 2013, to reflect the changes in the authorised share capital of the Company.

Hence, approval of the Members through Postal Ballot is being sought for the abovementioned resolutions.

Your Directors recommend passing of the Resolution set out in Item No. 5 as an Ordinary Resolution and the Resolution set out in Item No. 6 as a Special resolution.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are in any way concerned or interested in the said Resolution, except to the extent of his/her holding of the shares or stock options in the Company.

By Order of the Board



Madhivanan Balakrishnan
Managing Director & Global CEO

Navi Mumbai
February 5, 2016



3i Infotech Limited

Corporate Identification Number (CIN) : L67120MH1993PLC074411

Registered Office : Tower # 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703

Tel No : 022 4113 8000 Fax No : 022 4113 8098; E-mail : investors@3i-infotech.com Website : www.3i-infotech.com

POSTAL BALLOT FORM

Name & Registered Address of
the Sole / First named Member :

Name(s) of the Joint Member(s) :
if any :

Registered Folio No./DP ID No.*/
Client ID No.* :
(* Applicable to Members holding
Shares in dematerialised form)

Number of Equity Shares held :

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through Postal Ballot for the business stated in the Notice dated February 5, 2016 of 3i Infotech Limited (the Company) by sending my / our assent or dissent to the said Resolution(s) by placing a tick (✓) mark at the appropriate column below:

Resolution No.	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
1.			
2.			
3.			
4.			
5.			
6.			

Place :

Date :

Signature of the Member

INSTRUCTIONS TO SHAREHOLDERS OPTING FOR VOTING THROUGH PHYSICAL MODE

1. Member(s) desiring to exercise vote by Postal Ballot may complete this Postal Ballot form and send it to the Scrutinizer in the attached self addressed envelope. Postage will be borne by the Company. The envelope containing Postal Ballot form, if deposited in person or sent by courier at the expense of the member(s) will also be accepted.
2. This Form should be completed and signed by the Member (as per the specimen signature registered with the Company / Depository Participant). In case of joint holding, this form should be completed and signed by the first named Member and in his / her absence, by the next named Member. Unsigned Postal Ballot forms will be rejected. In case Postal Ballot form is signed through a delegatee, a copy of the Power of Attorney attested by the Member should be annexed to the Postal Ballot form.
3. Duly completed Postal Ballot form should reach the Scrutinizer not later than the close of working hours, i.e. 6.00 p.m. on Thursday, March 17, 2016. Postal Ballot form(s) received after this date will be strictly treated as if reply from such Member(s) has not been received.
4. In case of shares held by companies, trusts, societies etc, a certified copy of Board Resolution / Authority should accompany the duly completed Postal Ballot form.
5. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the Member(s) on the cut-of-date, i.e. Friday, February 5, 2016.
6. Members are requested not to send any other paper along with the Postal Ballot form in the enclosed self addressed postage prepaid envelope. If any extraneous papers are found, the scrutinizer will destroy the same.
7. The Company is also offering e-voting facility as an alternate, for all its Members to enable them to cast their votes electronically instead of using the Postal Ballot form. The detailed procedure for e-voting has been given in the Notice.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password