

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2016-17

CORPORATE GOVERNANCE PHILOSOPHY OF THE COMPANY

Corporate Governance is viewed as both the structure of and relationships within a Company which determine corporate direction and performance. It is a guideline as to how the Company should be managed and operated in a manner that adds value to the Company and is also beneficial for all stakeholders in the long term.

Your Company's core values - Innovation, Insight and Integrity imbibe in themselves its Corporate Governance Philosophy. Your Company strives to maintain high standards of business conduct and nurtures long term sustainable relationships with the various stakeholders of the organization.

The Board and the Executive Management support, endorse and follow the Corporate Governance practices as detailed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and also ensure that the Company's Code of Conduct is followed in letter and spirit.

I. BOARD OF DIRECTORS

a. Size and Composition of the Board

The total strength of the Board as on the date of this Report is 6 (six). The Board consists of 2 (two) Independent Non-Executive Directors, including the Chairman. The composition of the Board and the directorships held by the Board Members as on the date of this Report are as under:

Name	Category	Designation	Date of appointment	Date of Resignation	Number of directorships in other companies [@]	Number of chairmanships in committees of Board of other companies [#]	Number of memberships in committees of Boards of other companies [#]
Mr. Ashok Shah (DIN-01194846)	INED	Chairman	1-Oct-15 ^{^^}	-	-	-	-
Ms. Sarojini Dikhale (DIN-02755309)	NED	Director	23-Oct-15	-	1	-	-
Mr. Shantanu Prasad ^{\$\$\$} (DIN-06972253)	ND	Director	16-Sep-14	-	1	-	-
Dr. Shashank Desai (DIN-00143638)	INED	Director	23-Sep-15 ^{^^}	-	4	-	-
Mr. Madhivanan Balakrishnan* (DIN-01426902)	ED	Managing Director & Global CEO	01-Jul-12	07-June-16	NA	NA	NA
Mr. Shanti Lal Jain ^{\$\$} (DIN – 07692739)	ND	Director	23-Jan-17	-	-	-	-
Mr. Padmanabhan Iyer [^] (DIN-05282942)	ED	Managing Director & Global CEO	11-Aug-16	-	5	-	1

Legend: INED - Independent Non-Executive Director, NED - Non-Executive Director, ND - Nominee Director, ED - Executive Director

[@] Excludes Directorships in private limited companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013 (the "Act")

[#] Includes Membership/Chairmanship only in the Audit Committee and Stakeholders' Relationship Committee

^{*} Resigned on June 7, 2016

[^] Was appointed as Executive Director effective May 18, 2016 and was further appointed as Managing Director & Global CEO effective August 11, 2016

^{\$\$} Was appointed as Nominee Director pursuant to nomination by Allahabad Bank in its capacity as a CDR Lender

^{\$\$\$} Was appointed as Nominee Director pursuant to nomination by IDBI Bank Limited in its capacity as a CDR lender

^{^^} Re-appointed/ appointed effective this date for a period of 5 years as per the Act. Mr. Ashok Shah and Dr. Shashank Desai were originally appointed as Directors on the Board of the Company on December 1, 2011 and November 3, 2014 respectively

None of the Directors or Key Managerial Personnel (KMP) of the Company is inter se related.

b. Independent Directors

The Board includes Directors with independent standing in their respective fields/ profession who can effectively contribute to the Company's business and policy decisions.

A meeting of the Independent Directors was held during the year on August 11, 2016 without presence of the Executive Director or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters, inter-alia, pertaining to the Company's affairs and put forth their views to the Chairman.

As per provisions of Section 149(8) of the Act read with Schedule IV thereof pertaining to Code for Independent Directors, performance evaluation of non-independent directors was carried out at the meeting of Independent Directors, which was further reviewed by the Board as a whole.

c. Board Meetings

Along with the matters mandated as per SEBI LODR, the Board also reviews key matters like operations and financial results, acquisitions, joint ventures, capital/operating budgets, findings/comments of the statutory, internal and other auditors, risk management, internal controls, issue of capital and other resource mobilization efforts, etc. The Board also regularly deliberates on the Company's positioning in the Indian and global IT scenario and adopts and approves the strategy for medium and long term growth.

During the financial year ended March 31, 2017, the Board met 9 (nine) times on April 28, 2016; May 18, 2016; June 7, 2016; June 20, 2016; August 11, 2016; August 12, 2016; October 21, 2016; January 23, 2017 and March 7, 2017. The intervening period between two board meetings was well within the maximum period of 120 days as prescribed under SEBI LODR.

In order to facilitate informed deliberations at the meetings, a detailed agenda with necessary enclosures and reports is circulated well in advance of the meeting. Further, presentations are made by Executive Management on various strategic and operational matters. The Board also takes periodical review of compliance reports of all laws applicable to the Company. On some occasions, experts are also invited who provide insights on complex matters.

Details of Meetings attended by the Directors during the year:

Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended	
		In person	Through tele conference
Mr. Ashok Shah	9	7	2
Dr. Shashank Desai	9	8	1
Mr. Shantanu Prasad	9	6	1
Ms. Sarojini Dikhale	9	7	1
Mr. Padmanabhan Iyer [@]	7	7	-
Mr. Madhivanan Balakrishnan [*]	3	3	-
Mr. Shanti Lal Jain [@]	1	-	-

* Resigned during the year

@ Appointed during the year

d. Appointment criteria, performance evaluation, age and remuneration of the Directors

The policy of the Company for appointment, performance evaluation, age and remuneration of Directors is as mentioned below:

Appointment criteria

The Nomination and Remuneration Committee consists of three Non-Executive Directors as on the date of this Report of which half are independent directors as per provisions of the Act. The Committee identifies, selects, nominates and recommends induction of Additional Directors on the Board. Based on the recommendations of this Committee, the Board approves the appointment (including re-appointment) of Directors on the Board and their remuneration.

The Company has also received necessary declarations from the concerned Independent Directors pursuant to Section 149 of the Act, regarding the compliance of independence criteria.

Remuneration Policy

As per provisions of SEBI LODR, the Company has formulated a policy of Remuneration to Directors, Key Managerial Personnel (KMP) and other key employees. While deciding on the remuneration of Directors, the Board and the Nomination and Remuneration Committee (NRC) take into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board/ NRC regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries.

Details of Remuneration / Compensation

In the year 2016-17, the Company did not pay remuneration by way of commission to the Non-Executive Directors of the Company for the year 2015-16. The NRC evaluates the performance of the Non-Executive Directors every year on the basis of well defined parameters and discussions and the recommendations are placed before the Board. The Board considers the recommendations of the NRC while deciding the remuneration to be paid to the Non-Executive Directors. The quantum of sitting fee payable to Directors has been increased to ₹90,000 per meeting of the Board, ₹75,000 per meeting of the Audit Committee and ₹50,000 per other committee of the Board effective October 21, 2016. The details of the sitting fees paid to the Directors during the year 2016-17 are as given below:

Name of the Non-Executive Director	Total Sitting Fees (In ₹)		
	Gross	TDS	Net
Mr. Ashok Shah	8,70,000	87,000	7,83,000
Dr. Shashank Desai	9,20,000	92,000	8,28,000
Mr. Shantanu Prasad ^	7,30,000	73,000	6,57,000
Ms. Sarojini Dikhale ^	4,55,000	45,500	4,09,500
Mr. Shanti Lal Jain^	-	-	-

^ The sitting fees in respect of these Directors are paid to their respective employers as per their terms of appointment.

During the year, the Company paid remuneration to its Whole Time Directors in accordance with and within the overall limits as per the provisions of Section 197 and other applicable provisions of the Act and rules thereunder, including any notifications / circulars issued by the Ministry of Corporate Affairs as per the details mentioned below :

₹ in crores

Name of the Director	Salary, allowances, Incentives & Bonus	PF & other contribution	Perquisites	Total
Mr. Madhivanan Balakrishnan ^	1.81 [#]	0.02	0.02	1.85
Mr. Padmanabhan Iyer	2.63 [*]	0.05	0.02	2.70

* Includes the retention incentive for FY 2015-16 and 2016-17

[#] Includes the retention incentive for FY 2015-16

^ Resigned with effect from June 7, 2016

As on March 31, 2017, the Managing Director, who is the only whole-time director of the Company has not received any remuneration or commission from any of its subsidiaries.

e. Number of shares, convertible instruments or options held by Directors as on March 31, 2017

Name of the Director	Number of Shares	Number of options
Mr. Padmanabhan Iyer	1,920	16,30,000

None of the other Directors hold any shares, convertible instruments or options of the Company as on March 31, 2017, except as disclosed above.

f. Code of Conduct

The Company has adopted a Code of Conduct for Board of Directors and Senior Management, which aims to inculcate the spirit of corporate governance in the affairs of the Company and promotes ethical conduct. The Code is available on the website of the Company under the Investors section. Adherence to this Code is essential and any breach of the same attracts disciplinary action. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2017.

A Declaration to this effect signed by the Managing Director forms part of this Report.

g. Code of conduct for prevention of insider trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for Directors and Designated Persons of the Company, its subsidiaries and their dependent family members in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in the shares of the Company and cautions them of the consequences of violations.

II. BOARD COMMITTEES

Currently, the Board has four Committees, viz.

- a. Audit Committee;
- b. Stakeholders' Relationship Committee;
- c. Nomination and Remuneration Committee and
- d. Corporate Social Responsibility (CSR) Committee.

The Committees of the Board at present, their constitution and terms of reference are set out below:

a. Audit Committee

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of Internal and Statutory Audits.

The terms of reference of the Audit Committee, inter alia, include:

- Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend the appointment/removal of Statutory Auditor(s) and Internal Auditor(s), fixing the audit fee and also approving the payment for any other services;
- Recommending the terms of appointment of auditors of the Company;
- Review and monitor auditor's independence and performance and effectiveness of audit process;
- Review with the Management, the quarterly/annual financial statements and the auditors' report thereon before submission to the Board;

- Monitor the end use of funds raised through public offer and review with the Management the statement of usage/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and make appropriate recommendations to the Board to take up steps in this matter;
- Review with the Management the adequacy of internal control system and performance of External and Internal Auditors;
- Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as having post audit discussion to ascertain any area of concern;
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with Internal Auditors on any significant findings and follow up thereon;
- Review the Company's financial and risk management policies;
- Evaluation of internal financial controls and risk management systems;
- Review the functioning of the Whistle Blower mechanism;
- Review the financial statements of subsidiary companies;
- Look into reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approving the appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate before finalization of the appointment by the management;
- Scrutinise inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Approval or subsequent modification of transactions with related parties and
- To carry out any other function as may be required to be carried out by the Audit Committee under the Companies Act, 2013 and the rules thereunder, SEBI (LODR) and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force).

During the year under review, there were no changes in the composition of the Audit Committee.

The composition of the Audit Committee as on March 31, 2017 was as under:

Director	Position
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Mr. Shantanu Prasad	Member

The Audit Committee comprises of Non-Executive Directors, majority of them being independent. The qualifications and expertise of the committee members are in line with requirements of SEBI LODR read

with Section 177 of the Act. The Chairman of the Committee is an Independent Director. The Managing Director & Global CEO, CFO, Internal Auditors and Statutory Auditors attend the Meetings of the Audit Committee as invitees. The Company Secretary is the Secretary to the Committee. The Chairman of the Audit Committee had attended the previous Annual General Meeting held on December 7, 2016 to respond to shareholder queries, if any.

The Committee met four times during the year 2016-17 on August 11, 2016; August 12, 2016; October 21, 2016 and January 23, 2017. The time gap between any two Meetings was less than four months.

Meetings attended during the year:

Director	Number of Meetings held during the tenure of the Director as a Member of the Committee	Number of Meetings Attended
Dr. Shashank Desai	4	4
Mr. Ashok Shah	4	4
Mr. Shantanu Prasad	4	4

b. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted by the Board to look into the redressal of shareholders'/investors' complaints such as transfer of securities, non-receipt of dividend, notice, Annual Reports and all other securities holder related matters.

The terms of reference of this Committee, inter alia, include:

- Allot to the applicants, shares and other securities issued by the Company from time to time including allotment under Employees Stock Option Schemes, as amended from time to time;
- Approve printing of share certificates and other securities and lay down procedures for their issue, safe-keeping and proper maintenance, etc.;
- Approve registration of transfer of shares and other securities issued and that may be issued from time to time and approve or reject application for transmission of shares;
- Approve/reject applications for dematerialisation, re-materialisation, sub-division, consolidation, transposition and thereupon issue share certificates to the shareholders;
- Lay down suitable procedure and approve issue of duplicate certificates of shares and other securities;
- Decide account(s) to be opened/closed with any bank(s) in India, for the purpose of payment of interest / dividend or for other purpose relating to shares or other securities;
- Decide the stock exchange(s)/depository (ies) in India or abroad, on which shares or other securities issued by the Company are to be listed or delisted including offering/issuing such shares/securities through depositories;
- Fix record date and determine closure of Register of Members and Transfer Books for the purpose of payment of dividend, interest, issue of rights/bonus shares or for such other purpose as the Committee may deem fit;
- Consider and resolve the grievances of shareholders, debentureholders, deposit holders and other security holders of the Company;
- Redressal of shareholder and investor complaints such as transfer of shares, non-receipt of Annual Reports, non-receipt of dividend declared, non-payment of interest to debenture holders and deposit holders or any security holders, etc;

- Report to the Board about important developments in the area of servicing of shareholders and
- Take initiatives for better servicing of the shareholders.

During the year under review, there were no changes in the composition of the Stakeholders` Relationship Committee.

The composition of the Committee as on March 31, 2017 was as under:

Name of the Director	Position
Mr. Ashok Shah	Chairman
Dr. Shashank Desai	Member
Mr. Shantanu Prasad	Member

Majority of the Members of this Committee, including the Chairman of the Committee, are Independent Non- Executive Directors. Mr. Rajeev Limaye, Company Secretary is Secretary to this Committee.

The Committee met four times during the year 2016-17 on August 11, 2016; August 12, 2016; October 21, 2016; January 23, 2017.

Meetings attended during the year:

Director	Number of Meetings held during the tenure of the Director as a Member of the Committee	Number of Meetings Attended
Mr. Ashok Shah	4	4
Dr. Shashank Desai	4	4
Mr. Shantanu Prasad	4	4

The status of Investors` & Shareholders` instructions and grievances received during the year is as below:

	Opening Balance as on April 1, 2016	Received	Processed	Pending as on March 31, 2017
Instructions	Nil	74	74	Nil
Grievances	Nil	1	1	Nil

c. Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Committee has been constituted.

The terms of reference of this Committee inter alia include:

- Identify the prospective Directors and assist the Board in filling up vacancies in the offices of Directors of the Company and its subsidiaries;
- Evaluate the current composition, organisation and governance of Board and its committees, boards of its subsidiaries, determine future requirements and make recommendations to the Board for approval;
- Evaluate the performance of the Board and its Committees and Boards of its subsidiaries;
- Ensure that the Board and the Boards of the subsidiaries are properly constituted to meet its fiduciary obligations, the Corporate Governance principles and best practices;
- Determine the Director(s) who shall be liable to retire by rotation;
- Oversee the evaluation of the Board and the Management;
- Formulate the code of ethics and governance;

- Evaluate succession planning and work with the Board for evaluating the potential successors to executive management positions;
- Evaluate and recommend to the Board, the compensation plan, policies and programmes for Executive Directors and Senior Management Personnel;
- Review of the terms of reference and annually review its own performance and subject it to assessment by the Board;
- Review performance of Whole-time Directors of the Company and the subsidiaries, nominated by the Company on its Board vis-à-vis Key Performance Areas and to recommend the remuneration payable to them from time to time by way of salary, perquisites, commission, allowances, performance bonus, stock options, etc.;
- Approve the policy for quantum of bonus payable to members of the staff;
- Identify persons who may be appointed in senior management in accordance with criteria laid down and recommend to the Board their appointment and removal;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, regarding remuneration for the Directors, Key Managerial Personnel and other employees;
- Formulate criteria for evaluation of Independent Directors and the Board;
- Devise a policy on Board diversity;
- To frame/modify the Employees Stock Options Scheme and recommend granting of stock options to the staff and whole-time directors of the Company and the group companies and
- Make recommendations to the Board in respect of the incentive compensation plans.

The Composition of the Committee as on March 31, 2017 was as under:

Director	Position
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Ms. Sarojini Dikhale	Member

The Committee met twice during the year 2016-17 on June 20, 2016 and August 11, 2016.

Meetings attended during the year:

Director	Number of Meetings held during the tenure of the Director as a Member of the Committee	Number of Meetings Attended
Dr. Shashank Desai	2	2
Mr. Ashok Shah	2	2
Ms. Sarojini Dikhale	2	1

All the Members of the Committee are Non-Executive Directors with majority being Independent Directors. The Chairman of the Committee is an Independent Director. The Chairman of the Board is a Member of the Committee but does not chair the Committee.

d. Corporate Social Responsibility (CSR) Committee

As required under Section 135 of the Act, the Board, at its meeting held on May 2, 2014, constituted a Committee for looking exclusively into the CSR initiatives of the Company.

The terms of reference of the CSR Committee inter alia include:

- Consider and formulate the Company's value and strategy with regard to CSR, develop and review the Company's CSR policies and recommend the amount of expenditure to be incurred on activities indicated

in the said CSR policies;

- Identify CSR issues and related risks and opportunities relevant to the Company's operations and incorporate the issues or factors into the Company's existing risk management;
- Monitor and oversee the implementation of the Company's CSR policies and practices to ensure compliance with the applicable legal and regulatory requirements;
- Evaluate and enhance the Company's CSR performance and make recommendation to the Board for improvement;
- Review and endorse the Company's annual CSR report for the Board's approval for public disclosure and
- Monitor the CSR Policy of the Company from time to time.

The composition of the Committee as on March 31, 2016 was as under:

Director	Position
Mr. Ashok Shah	Chairman
Ms. Sarojini Dikhale	Member
Mr. Madhivanan Balakrishnan*	Member

*Resigned during the year

The Committee was re-constituted by appointing Mr. Padmanabhan Iyer as a Member of this Committee on August 11, 2016 pursuant to resignation of Mr. Madhivanan Balakrishnan.

The composition of the Committee as on March 31, 2017 was as under:

Director	Position
Mr. Ashok Shah	Chairman
Ms. Sarojini Dikhale	Member
Mr. Padmanabhan Iyer	Member

During the year, the Committee met once on August 11, 2016. This meeting was attended by all the Members of the Committee as on that date.

III. GENERAL MEETINGS

Details of the Annual General Meetings (AGMs) held in the last three years

Year	Date and Time	Venue	Special Resolutions passed
2015-16	December 7, 2016 at 4:00 p.m.	Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai – 400 703	1. Appointment of Mr. Padmanabhan Iyer (DIN-05282942) as Managing Director and Global CEO 2. Issue of equity shares to SREI Alternative Investment Managers Limited - Vision India Fund ("SAIML-VIF") against conversion of a portion of outstanding debt.
2014-15	September 23, 2015 at 4:00 p.m.		1. Appointment of Mr. Ashok Shah (DIN-01194846) as an Independent Director for a period of 5 years effective October 1, 2015 2. Approval for payment of remuneration to Mr. Madhivanan Balakrishnan (DIN-01426902) as the Managing Director & CEO for a period of 2 years effective July 1, 2015
2013-14	September 16, 2014 at 11:30 a.m.		None

Attendance of the Directors at the last Annual General Meeting held on December 7, 2016

Mr. Ashok Shah (Chairman of the Board and Chairman- Stakeholders Relationship Committee and Corporate Social Responsibility Committee);

Ms. Sarojini Dikhale, Non-Executive Director;

Dr. Shashank Desai (Chairman - Audit Committee and Nomination and Remuneration Committee) and

Mr. Padmanabhan Iyer, Managing Director & Global CEO.

Apart from Directors, Mr. R.P. Baradiya, Partner from Lodha & Company, Statutory Auditor and Mr. Prakash Pandya, Scrutinizer and Partner from BNP & Associates, Company Secretaries- Secretarial Auditor were also present at the last Annual General Meeting.

No Extraordinary General Meeting was held during the last three years.

Resolutions passed through Postal Ballot

During the year 2016-17 and till the date of this Report, the Company sought the approval of the Members by way of Postal Ballot pursuant to Section 110 of the Companies Act, 2013 (the "Act") read with the rules thereunder, the details of which are given below:

Date of the Notice	Last date for receipt of Postal Ballot Forms	Date of Result	Name of the Scrutinizer	Special Resolutions passed
March 28, 2016	May 11, 2016	May 13, 2016	Mr. Jatin S. Popat, Partner, BNP & Associates	<ol style="list-style-type: none">Increase in Authorised Share Capital of the Company and consequent amendment to the Memorandum of Association of the Company;Amendment to the Articles of Association of the Company;(i) Issue, as part of the proposed restructuring of the outstanding USD 125,356,000 5 per cent convertible bonds due 2017 (the "5% Bonds") and USD 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 rate of interest andIssue of equity shares against conversion of a portion of the outstanding amounts due to the Lenders.

Date of the Notice	Last date for receipt of Postal Ballot Forms	Date of Result	Name of the Scrutinizer	Special Resolutions passed
April 6, 2017	May 21, 2017	May 24, 2017	Mr. B. Narasimhan, Partner, BNP & Associates	<ol style="list-style-type: none"> 1. Renewal of the resolution passed by the Members on March 18, 2016 in relation to issue of Equity Shares against conversion of a portion of the outstanding amounts due to the DRS Lenders and ratifications of the actions taken pursuant thereto and 2. Issue of Equity Shares against conversion of a portion of the outstanding amounts due to the Non-CDR Lenders.

Pursuant to Section 110 of the Act read with rules thereunder, notice of the Postal Ballot was sent through electronic form to all those shareholders whose e-mail ids were registered with the Depository Participant (DP) and Postal Ballot forms along with the notice were sent through courier/speed post to those who held shares in physical form.

The Results of the Postal Ballots, details of which are given under, were also displayed at the Registered Office of the Company and on its website:

a) Postal Ballot Result declared on May 13, 2016

Particulars	Number of Shares Held	Number of Votes polled	Percentage of Votes polled on outstanding shares	Number of Votes - in favour	Number of Votes – against	Percentage of Votes in favour on votes polled	Percentage of Votes against on votes polled
Resolution No. 1	640,803,928	178,729,172	27.89	161,256,653	17,472,519	90.22	9.78
Resolution No. 2	640,803,928	178,711,201	27.89	161,242,399	17,468,802	90.23	9.77
Resolution No. 3	640,803,928	178,700,141	27.89	161,231,838	17,468,303	90.22	9.78
Resolution No. 4	640,803,928	178,718,209	27.89	161,243,980	17,474,229	90.22	9.78

b) Postal Ballot Result declared on May 24, 2017

Particulars	Number of Shares Held	Number of Votes polled	Percentage of Votes polled on outstanding shares	Number of Votes - in favour	Number of Votes – against	Percentage of Votes in favour on votes polled	Percentage of Votes against on votes polled
Resolution No. 1	1,183,651,403	551,021,398	46.5527	550,942,018	79,380	99.9856	0.0144
Resolution No. 2	1,183,651,403	550,949,922	46.5466	550,875,952	73,970	99.9866	0.0134

IV. DISCLOSURE REQUIREMENTS

a) Related party transactions

There were no materially significant transactions with related parties. The details of related party transactions entered into between the Company and its Promoters, Subsidiaries, Directors or their Relatives, etc. have been presented in Notes to Accounts in the Annual Report.

The Board has approved a policy for related party transactions which has been uploaded on the Company website at the following link:

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance

b) Details of non-compliance, penalties, etc.

In terms of Regulation 33 of SEBI LODR, BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) had imposed penalty of ₹77,88,996/- and ₹ 67,73,039/- respectively for non-compliance under Regulation 33 of SEBI LODR since the Company could not submit the Financial Results for quarter and year ended March 31, 2016 within 60 days from the end of the financial year. Further, the Company has paid the penalty so imposed and also submitted Audited Financials for the quarter and year ended March 31, 2016 on August 11, 2016. In 2014-15, a penalty of ₹ 50,000/- was imposed on the Company by NSE and BSE respectively for failure to appoint a Woman Director on the Board of the Company on or before March 31, 2015 in terms of Clause 49 of the Listing Agreement and Section 149 of the Act. The Company had paid the penalty to NSE and BSE and had appointed Woman Director effective July 28,2015. Except for the above, no other penalties or strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory or other authority on any matters relating to capital markets during the last three financial years.

c) Whistle Blower Policy/Vigil Mechanism

The Company has put in place a Whistle Blower Policy and has established the necessary vigil mechanism to enable the employees and Directors to report concerns on unethical behavior.

Under the Policy, employees and Directors of the Company and its subsidiaries are free to communicate any matters of concern in areas of accounts, finance, management, operations, employment and other affairs of the Company and its subsidiaries and discuss the same in terms of this Policy. Since this Policy came into effect, no employee has been denied access to the Audit Committee.

The Policy is put up on the website of the Company at the following link

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance.

d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements.

The Company has also adopted the following non-mandatory requirements:

i. The Board

The Company arranges for reimbursement of expenses incurred by Non-Executive Chairman of the Company for his official duties.

ii. Separate Posts of Chairman and CEO

Mr. Ashok Shah is the Chairman of the Company and Mr. Padmanabhan Iyer is the Managing Director and Global CEO of the Company. The Company has complied with the requirement of having separate persons for the post of Chairman and CEO.

e) Other disclosure requirements

1. Training of Board Members

A new Director, on being inducted to the Board, is familiarized with the Company's Corporate Profile, Code of Conduct for Directors and Senior Management, Insider Trading Code and the Company's Policy for Unfair Trading Practices in Securities. The details of the familiarisation program have been uploaded on the Company website at the following link:

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance

2. Policy for determining material subsidiaries of the Company

The policy is available on the website of the Company at the following link:

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance.

3. Management Discussion & Analysis

A detailed Management Discussion and Analysis along with risks and concerns is given in a separate section of the Annual Report.

V. MEANS OF COMMUNICATION - QUARTERLY / HALF YEARLY RESULTS, ETC.

The Company's periodic financial results, factsheets and official news releases made to the investors and analysts are displayed on the website of the Company at www.3i-infotech.com. Financial results are also published in The Financial Express (English) and Mumbai Lakshadeep (regional newspaper).

The Company has an Investor Grievance cell to address the grievances/queries of the shareholders. In order to enable the shareholders to raise queries and grievances, the Company has a separate email ID: investors@3i-infotech.com.

VI. GENERAL SHAREHOLDER INFORMATION

a) Details of ensuing AGM

Day and Date	Time	Venue
Wednesday, September 6, 2017	4:00 p.m.	Arya Samaj Hall, Plot No.6, Sector 9A, Vashi, Navi Mumbai - 400 703

b) Schedule of the Board Meetings for consideration of Financial Results

Quarter Ended	Date*
June 30, 2017	July 22, 2017
September 30, 2017	October 14, 2017
December 31, 2017	January 25, 2018
March 31, 2018	May 4, 2018

*Above dates are tentative and subject to change

c) Financial Year: April 1 - March 31

d) Date of Book Closure: Wednesday, August 30, 2017 to Wednesday, September 6, 2017 (Both days inclusive)

e) Listing

The Equity Shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Annual Listing Fees have been paid to both these Stock Exchanges.

f) Stock Exchanges Codes and ISIN (International Securities Identification Number)

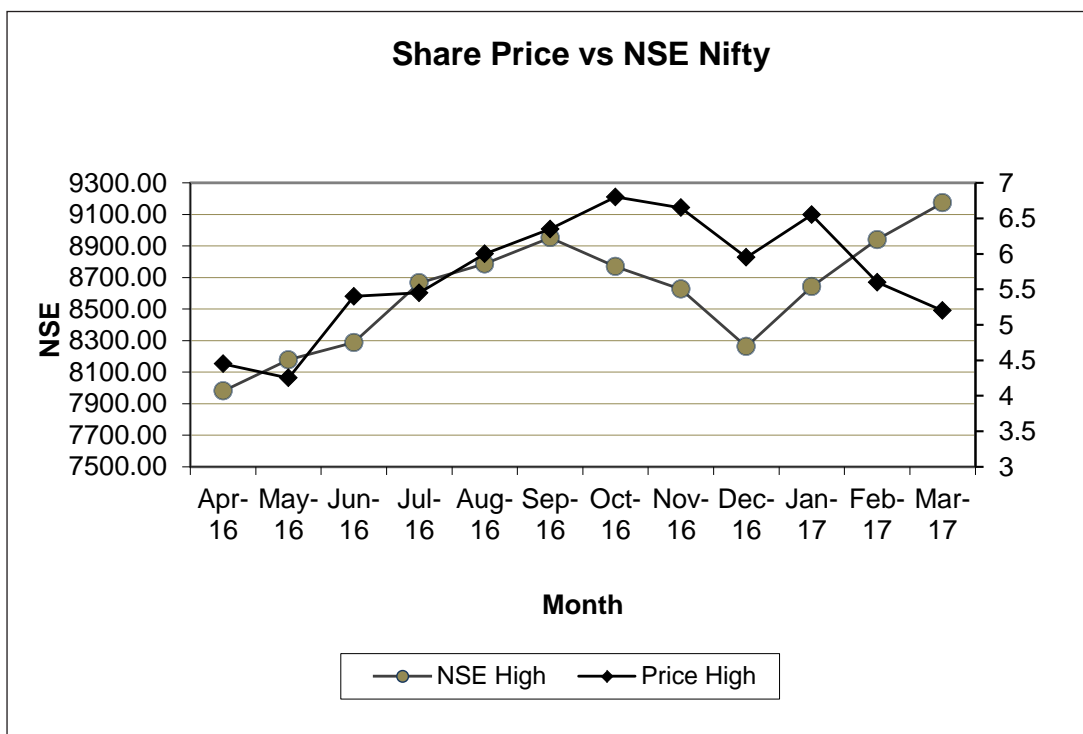
Stock Exchange	NSE	BSE
Exchange Code	3IINFOTECH	532628
Temporary ISIN in National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) pending receipt of trading approvals from exchanges	IN8748C01011	
Permanent ISIN in National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for credit of shares upon receipt of trading approvals from exchanges	INE748C01020	

g) Stock Market Data

Monthly highs, lows and trading volume for 2016-17:

Month	National Stock Exchange			Bombay Stock Exchange			Total Quantity Traded
	High	Low	Trade Quantity	High	Low	Trade Quantity	
April-16	4.45	4.15	1,97,70,922	4.46	4.19	55,28,123	2,52,99,045
May-16	4.25	3.80	2,25,07,363	4.25	3.85	61,55,767	2,86,63,130
June-16	5.4	3.80	6,80,86,410	5.39	3.79	1,83,29,942	8,64,16,352
July-16	5.45	4.95	4,88,89,833	5.47	4.96	1,67,41,777	6,56,31,610
August-16	6.00	4.90	10,65,26,862	6.02	4.91	2,46,90,467	13,12,17,329
September-16	6.35	5.05	7,98,00,142	6.37	5.08	1,97,95,452	9,95,95,594
October-16	6.80	5.7	7,91,84,265	6.81	3.33	2,05,91,786	9,97,76,051
November-16	6.65	5	4,95,67,516	6.65	5.02	1,02,29,445	5,97,96,961
December-16	5.95	5.35	2,70,46,641	5.94	5.34	64,39,009	3,34,85,650
January-17	6.55	5.60	5,50,74,015	6.55	5.59	1,27,64,416	6,78,38,431
February-17	5.60	5.1	4,61,22,590	5.62	5.14	81,82,904	5,43,05,494
March-17	5.20	4.7	4,43,34,910	5.24	4.73	94,12,442	5,37,47,352

h) 3i Infotech share prices versus the NSE Nifty



i) Registrar and Transfer Agent

The Company is a SEBI Registered, Category I Share Transfer Agent and handles all Registrar and Transfer Agents' work in-house. The Company has adequate infrastructure to service its Shareholders.

j) Share transfer system

The Company, as SEBI Registered R&T agent, has expertise and effective systems for share transfers.

k) Distribution of Holdings as on March 31, 2017

Share holding of nominal value of (₹)	Shareholders		Share Amount	
	Number	Percentage to total (%)	(₹)	Percentage to total (%)
Upto 5000	103,752	65.95	17,480,715	1.48
5001-10000	19,669	12.50	17,054,141	1.44
10001-20000	12,547	7.98	20,203,754	1.71
20001-30000	5,508	3.50	14,525,596	1.23
30001-40000	2,604	1.66	9,541,380	0.81
40001-50000	3,261	2.07	15,766,900	1.33
50001-100000	4,814	3.06	37,354,378	3.16
100001 and above	5,168	3.28	1,051,724,539	88.84
Total	157,323	100.00	1,183,651,403	100.00

l) Shareholding Pattern as on March 31, 2017

Category	Shares	Percentage (%)
Promoter- (IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund))	-	-
Government Financial Institutions	21,687,921	1.83
Nationalized Banks	144,509,554	12.21
Financial Institutional Investors (FIIs)	40,449,902	3.42
Overseas Corporate Bodies (OCBs)	-	-
Foreign Banks / Companies	238,934,052	20.19
Non-Residents	70,950,829	5.99
Mutual Funds	-	-
Bodies Corporate	81,615,315	6.90
Other Banks	217,276,380	18.36
Resident Indians	343,387,689	29.00
NBFCs Registered with RBI	24,839,761	2.10
Provident Fund-Pension Fund	-	-
TOTAL	1,183,651,403	100.00
Number of Shareholders	157,323	

m) Dematerialization of shares and liquidity

On March 31, 2017, all the shares of the Company were held in dematerialized mode, except 74,983,739 shares, which were held in physical mode.

n) Unclaimed Shares lying in Demat Suspense Account

The Company has a separate demat suspense account (no. IN302902/47834376) as per the requirements of Regulation 39 read with Schedule VI of SEBI LODR (previously SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 amending the erstwhile listing agreement).

The details of shares held in the said demat suspense account are as under:

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account at the beginning of the year	4	532
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of holders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2017	4	532

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

o) Transfer to Investor Education and Protection Fund

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on September 7, 2016, the Company is required to file (with the Registrar of Companies (ROC)) details of unclaimed/unpaid dividend lying with the Company which would be transferred to Investor Education and Protection Fund (IEPF) after a period of seven years of its declaration with the Registrar of Companies (ROC) and to display the details on the website of the Company. Accordingly, the details of unclaimed/unpaid dividend were filed with ROC and they are also displayed on the website of the Company.

Shareholders who have not claimed their dividend are hereby advised to claim their unclaimed/ unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF. Once unclaimed dividend is transferred to the IEPF, no claim in respect thereof shall lie with the Company.

Further, the unclaimed dividend of ₹590,488/- pertaining to year 2008-09 was transferred to IEPF, as required by the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

p) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity

The details of the outstanding Foreign Currency Convertible Bonds as on March 31, 2017 are given below:

Particulars	USD 125.356 Million 2.5% Convertible Bonds due 2025	USD 100 Million 2.5% Convertible Bonds due 2025	USD 42.44175 Million 2.5% Convertible Bonds due 2025
ISIN	XS0769181982	XS0308551166	XS1423751418
Outstanding Amount	USD 3.07925 Million	USD 0.48375 Million	USD 16.32305 Million
Coupon/Yield (payable at semi-annual intervals)	2.5% p.a.	2.5% p.a.	2.5% p.a.
Conversion Price	₹16.50	₹165.935	₹10 for the portion of Bonds subject to automatic conversion ₹12.50 for the portion of Bonds not subject to automatic conversion
Fixed Exchange Rate	1 USD = ₹50.7908	1 USD = ₹40.81	1USD = ₹66.3260
Maturity Date	March 31, 2025	March 31, 2025	March 31, 2025
Redemption Price	100% of the principal amount	100% of the principal amount	100% of the principal amount
Expected number of shares to be issued	9,478,640	118,973	86,611,409

The Company has successfully restructured its Foreign Currency Convertible Bonds (FCCBs) outstanding as on March 31, 2016. As per restructuring terms, the bondholders have given their consent for a haircut of 35% of the outstanding principal amount and conversion of 40% of the outstanding principal amount into equity shares and the balance 25% of the outstanding principal amount due to bondholders would continue under the current FCCB issues with amended terms or as a new issue of bonds, depending on whether the bondholder has consented to exchange his existing bonds for new ones or chosen to get the terms of his existing bonds amended. The bondholders at their meetings held on July 27, 2016 and August 10, 2016 granted their approval for amendment of the terms of restructuring of their bonds as mentioned above (i.e. by way of exchange or amendment of terms) and exchange of bonds as per the Debt Realignment Scheme (DRS) proposal submitted to them.

q) Plant Locations

As the Company is engaged in Information Technology industry, it does not have any plant. The Company operates from various offices in India and abroad.

r) Address for correspondence

COMPLIANCE OFFICER

Company Secretary & Compliance Officer
3i Infotech Limited
(CIN : L67120MH1993PLC074411)
Tower # 5, 5th Floor, International Infotech Park,
Vashi, Navi Mumbai 400 703,
Maharashtra (India)
Ph: (91-22) 7123 8000
Fax: (91-22) 7123 8310
Email: co@3i-infotech.com

SHARE DEPARTMENT

3i Infotech Limited
Tower # 5, 3rd Floor, International Infotech Park,
Vashi Railway Station Commercial Complex,
Vashi, Navi Mumbai 400 703,
Maharashtra (India)
Ph: (91-22) 7123 8015/8062
Fax: (91-22) 7123 8099
Email: investors@3i-infotech.com

Navi Mumbai, July 22, 2017

CERTIFICATE FROM MANAGING DIRECTOR & GLOBAL CEO FOR COMPLIANCE OF CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

This is to certify that 3i Infotech Limited has put in place the Code of Conduct for the Board of Directors and Senior Management. This Code is applicable to all the Directors of the Company and the Members of Senior Management, who are one level below the Executive Directors, including all the functional heads and heads of Business Geographies. The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management for the financial year ended March 31, 2017.

Padmanabhan Iyer,
Managing Director & Global CEO,
3i Infotech Limited

July 22, 2017 at Navi Mumbai

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by 3i INFOTECH LIMITED (hereinafter referred as 'the Company'), for the year ended 31 March, 2017 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

Management Responsibility

We state that compliance of conditions of corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors Responsibility

Our examination was limited to a review of the procedures and implementations thereof, adopted by the company, for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the Company has complied with in all material aspects, the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraph C and D of Schedule V of the Listing Regulations.

We further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency and effectiveness with which the management has conducted the affairs of the company.

This certificate is issued solely for the purpose of complying with Listing Regulations and may not be suitable for any other purpose.

For LODHA & Company

Chartered Accountants

Firm Registration No: 301051E

Sd/-

(R. P. Baradiya)

Partner

Membership No. 44101

July 22, 2017

For GMJ & Company

Chartered Accountants

Firm Registration No: 103429W

Sd/-

(Sanjeev Maheshwari)

Partner

Membership No: 38755