



June 29, 2018

BSE Limited
Sir Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400001
Security code: 532628

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C-1, Block G
Bandra Kurla Complex, Bandra (East)
Mumbai – 400051
Scrip code: 3IINFOTECH

Dear Sir/ Madam,

SUB: Intimation of the outcome of the meeting of the board of directors of 3i Infotech Limited ("Company") held on June 29, 2018 and disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations")

REF: Scheme of Arrangement between 3i Infotech Limited ("Company") and its shareholders, under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

The Company wishes to inform you that the board of directors of the Company ("the Board") at its meeting today, June 29, 2018, approved the draft Scheme.

The Scheme, *inter alia*, provides for the following:

- (a) Reduction of share capital of the Company on the Record Date (as defined in the Scheme). Such reduction shall be effected by reducing the face value of the equity shares of the Company from INR 10 to INR 1. The capital so reduced will be utilized to write off the accumulated losses of the Company.
- (b) Subsequent to such reduction in face value of the equity shares of the Company, the Scheme provides for consolidation of 10 equity shares of the Company of INR 1 into one equity share of the Company of INR 10 each.

The Scheme as approved by the Board would be available on the website of the Company post filing of the same with stock exchanges. The Board's approval of the Scheme as aforesaid is subject to necessary approvals by the stock exchanges, SEBI, shareholders of the company, Mumbai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.



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In terms of the Listing Regulations read with Securities and Exchange Board of India Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, we are furnishing herewith the details of the Scheme as Annexure.

We request you to take the above for your records.

Thanking you,

Yours faithfully,
For 3i Infotech Limited


Rajeev Limaye
Company Secretary





Annexure

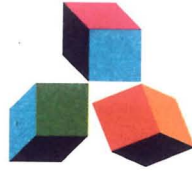
a. Details and reasons for the Scheme

- (i) The Company has suffered substantial losses since FY 2011-12 and has not been able to scale its business and unleash its full potential for growth and profitability. However, there has been a turnaround in the fortunes of the Company. The Company has in the financial year 2016-17 and 2017-18, reported profits on a consolidated basis. Further, it has also entered into a Supplemental Master Restructuring Agreement with its lenders with a view to proactively manage its debt position.
- (ii) As per the audited financial statements for the year ended 31 March 2018, the Company has accumulated losses amounting to INR 2526.99 crores. The said accumulated losses have wiped off the value represented by the share capital. Thus, the financial statements of the Company are not reflective of the financial position of the Company.
- (iii) Further, due to huge accumulated losses of the prior years, the financial statements do not reflect the turnaround in the business of the Company. Thus, with a view to ensure that (i) the financial statements of the Company reflect its true and fair financial health/ position; and (ii) to obliterate the share capital being lost and not represented by available assets of the Company, it is necessary to carry out reduction of share capital of the Company. Subsequent, to reduction, the consolidation of equity shares aims to maintain optimum liquidity in the market commensurate with other entities of similar size and in similar business.
- (iv) The reduction of share capital and subsequent consolidation in the manner proposed herein would enable the Company to rationalise its capital structure and present a true and fair financial position of the Company which commensurate with its business and assets.
- (v) Hence, the proposed reduction of share capital and subsequent consolidation is in the interest of the Company and its shareholders, creditors and all concerned.

b. Quantitative and/ or qualitative effect of restructuring

- (i) The face value of the equity share of the Company will be reduced from INR 10 to INR 1. Thus, on the Record Date, an amount equivalent to 90% of the share capital of the Company will be reduced from the share capital and the accumulated losses of the Company shall be written off against the same.





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(ii) Subsequently, ten equity shares of the Company of INR 1 each shall be consolidated into one equity share of INR 10 each.

(iii) Thus, after implementation of the Scheme, the nominal and the paid up value of each equity share of the Company shall continue to remain INR 10 each.

c. Details of benefit, if any, to the promoter/ promoter group/ group companies from such proposed restructuring

The Scheme does not result in any benefits to the promoter/ promoter group/ group companies to the exclusion of the other shareholders.

d. Brief details of change in shareholding pattern (if any) of all entities

The shareholding pattern of the Company remains the same after reduction and consolidation of capital.

