



April 11, 2016

The Manager,
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai-400051

NSE Symbol: 3IINFOTECH

Sub: Postal Ballot Notice

Dear Sir,

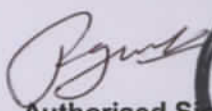
Pursuant to Regulation 30 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith (one) 1 copy of Notice of Postal Ballot which is being sent to the members for their approval.

Please acknowledge receipt of the same.

Thanking you,

Yours truly,

For 3i Infotech Limited


Authorised Signatory



Encl: As above

3i Infotech Limited

(CIN : L67120MH1993PLC074411)

Tower #5, 3rd to 6th Floor

International Infotech Park

Vashi, Navi Mumbai 400 703, India.

Tel. : (+91 - 22) 6792 8000

Fax : (+91 - 22) 6792 8095

www.3i-infotech.com



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: (91-22) 4113 8000 **Fax No:** (91-22) 4113 8098

E-mail: investors@3i-infotech.com **Website:** www.3i-infotech.com

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. Increase in authorised share capital of the Company (the "**Authorised Share Capital**") and consequent amendment to the Memorandum of Association of the Company;
2. Amendment to Articles of Association of the Company;
3. (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 rate of interest.
4. Issue of equity shares against conversion of a portion of the outstanding amounts due to the Lenders.

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 Wednesday, May 11, 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, May 13, 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: Increase in Authorised Share Capital and consequent 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 be increased from the existing ₹ 2,955 crore divided into 200 crore equity shares of ₹ 10 each, 20 crore preference shares of ₹ 5 each (Class A preference shares), 150 Crore preference shares of ₹ 5 each (Class B preference shares), 105 Crore preference shares of ₹ 1 each (Class C preference shares) to ₹ 3,155 crore divided into 220 crore equity shares of ₹ 10 each, 20 crore preference shares of ₹ 5 each (Class A preference shares), 150 crore preference shares of ₹ 5 each (Class B preference shares), 105 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 ₹ 3,155 crores (Rupees Three Thousand One Hundred Fifty Five crores only) divided into 220 crore (Two Hundred Twenty 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 (the **"Board"**) (including 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) be and is 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. 2: 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, as amended (the **"Companies Act"**) applicable rules notified by the Central Government under the Companies Act and subject to any other laws and regulations, as may be applicable, the 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 ₹ 3,155 crores (Rupees Three Thousand One Hundred Fifty Five crores only) divided into 220 crore (Two Hundred and Twenty 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)."

Item No. 3 : (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 rate of interest.

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

"RESOLVED THAT in supersession of the resolution passed through postal ballot on March 18, 2016 and 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 Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated January 1, 2016, 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 (i) the New Bonds, and (ii) 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**") (to the extent not exchanged and as amended pursuant to the proposed restructuring), 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 ₹ 3,500 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 allot 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 the conversion price for the New Bonds shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depositary 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 the 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 (i) the New Bonds and the Existing Bonds (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. 4: Issue of equity shares against conversion of a portion of the outstanding amounts due to the 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), and in partial modification to the approval granted by shareholders vide postal ballot Notice dated February 5, 2016, the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot to those lenders of the Company who are unable to participate in the Debt Restructuring Scheme (DRS) of the



Company under the Corporate Debt Restructuring mechanism including the lenders of the Company's subsidiaries and lenders of facilities guaranteed by the Company and lessors of the Company ("**Non CDR Lenders**") as mentioned in the explanatory statement, on a preferential basis to implement the terms of DRS, including any deviations thereto approved by relevant authorities, upto 21.24 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, 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 the Equity Shares shall be issued and allotted by the Company to the relevant Non CDR Lenders within a period of 15 days from the date of passing of this resolution (or such other date as permitted under the SEBI Regulations), provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval (or such other date as permitted under the SEBI Regulations)."

"RESOLVED FURTHER THAT the "relevant date" for the purpose of calculating the price of the Equity Shares for the purposes of the Preferential Issue shall be 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 *pari passu* 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 Non CDR 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 Non CDR 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."

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, March 25, 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, March 25, 2016.



- (d) In accordance with the provisions of Section 101 of the Companies Act, 2013, as amended 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 Wednesday, May 11, 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 Wednesday, May 11, 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).

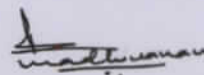
In case of Members receiving Postal Ballot Form by Speed Post / Registered Post / Courier:

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 Tuesday, April 12, 2016 (9:00 a.m.) and end on Wednesday, May 11, 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
March 28, 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 & 2

The members of the Company have authorized the Board of Directors of the Company (the "**Board**") to undertake the following *vide* their responses to the postal ballot notice dated February 5, 2016, the results of which were declared on March 18, 2016:

- increase the authorised share capital of the Company (the "**Authorised Share Capital**") from ₹ 1,200 crore to ₹ 2,955 crore and amend the Memorandum of Association of the Company for this purpose; and
- amend the Articles of Association of the Company to reflect the change in the Authorised Share Capital.

Currently, the Authorised Share Capital is ₹ 2,955 crores, consisting of 200 crore Equity Shares of ₹ 10 each amounting to ₹ 2,000 crore, 20 crore cumulative preference shares of ₹ 5 each amounting to ₹ 100 crore (Class A preference shares), 150 crore preference shares of ₹ 5 each amounting to ₹ 750 crore (Class B preference shares) and 105 crore preference shares of ₹ 1 each amounting to ₹ 105 crore (Class C preference shares).

As indicated in Item No.3 below, the Company may be required to issue an increased number of equity shares due to certain changes in the proposed exchange offer for the bondholders. Therefore, it is proposed to increase the Authorised Share Capital by another ₹ 200 crore such that is adequate to accommodate possible additional equity issuances as contemplated under Item No. 3.

Hence, it is proposed to increase the authorised capital of the Company from ₹ 2,955 crore to ₹ 3,155 crore consisting of 220 crore Equity Shares of ₹ 10 each amounting to ₹ 2,200 crore, 20 crore cumulative preference shares of ₹ 5 each amounting to ₹ 100 crore (Class A preference shares), 150 crore cumulative preference shares of ₹ 5 each amounting to ₹ 750 crore (Class B preference shares) and 105 crore cumulative preference shares of ₹ 1 each amounting to ₹ 105 crore (Class C preference shares).

To reflect the above, it is also proposed to make appropriate alterations in the Memorandum of Association of the Company and Articles of Association of the Company, pursuant to sections 14 and 61 of the Companies Act, 2013, as amended.

Your Directors recommend passing of the resolution set out in Item No. 1 as an Ordinary Resolution and the resolution 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 Resolutions, except to the extent of his/her holding of the shares or stock options in the Company.

Item No. 3

The Members of the Company have authorized the Board of Directors of the Company (the "**Board**") to undertake the following, *vide* their responses to the postal ballot notice dated February 5, 2016, the results of which were declared on March 18, 2016:

- restructure 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**") through an exchange offer and issue new foreign currency convertible bonds, which are convertible into Equity Shares (collectively the "**New Bonds**"), in accordance with the structure mentioned in the postal ballot notice dated February 5, 2016; and
- issue 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) of an aggregate amount not exceeding ₹ 3,000 million.

Subsequent to the abovementioned approval, the structure of the proposed exchange offer has been amended further, the details of which are given below. Due to the amendment in the structure of the exchange offer, the aggregate amount of equity shares to be issued may cross ₹ 3000 Million as envisaged earlier and may go upto ₹3500 Million i.e. an increase of ₹ 500 Million. In light of the same, the Board seeks approval of the Members for such increase in the authorized share capital of the Company.

In the light of the above, the Company is now seeking approval of its shareholders for the revised exchange offer, the broad contours of which are as under:

1. Waiver of the accrued and unpaid interest in respect of the Existing Bonds up to 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**"). 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 (the "**Maturity Date**").
 - b. Conversion:
 - A. portion of the principal amount of each New Bond will be mandatorily converted into Equity Shares at a fixed initial conversion price (the "**Initial Conversion Price**") on the pre determined date following the date of issuance of the New Bonds at the fixed exchange rate; and



- B. remaining 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 subsequent conversion price (the "**Subsequent Conversion Price**") at the fixed exchange rate, which may be different from the Initial Conversion Price, up to the Maturity Date.
- c. **Redemption:** The New Bonds, to the extent not converted, will be redeemed in six annual installments, with the first installment 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 modify the terms of each of the 4.75% Bonds and the 5% Bonds, at two separate meetings of the holders 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 a reduced principal amount.
- b. **Tenure:** Tenure of the Amended Existing Bond shall be nine years from the date of issuance of the New Bonds (the "**Amended Maturity Date**").
- c. **Conversion:**
 - A. portion of the principal amount of each Amended Existing Bond will be mandatorily converted into Equity Shares, at the conversion price and exchange rate fixed as per the terms and conditions set out in the trust deeds of the respective series of Existing Bonds, on a pre determined date following the date of issuance of the New Bonds; and
 - B. remaining 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 the conversion price and exchange rate fixed as per the terms and conditions set out in the trust deeds of the respective series of Existing Bonds, up to the Amended Maturity Date.
- d. **Redemption:** The Amended Existing Bonds, to the extent not converted, will be redeemed in six annual installments, with the first installment 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. 3.

The shareholders are requested to note that the aforementioned restructuring is subject to approval of Reserve Bank of India, as may be required, and the terms indicated hereinabove may be subject to any change as a result of directions or approval or conditions prescribed by Reserve Bank of India in this regard.

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 Board of Directors of your Company seek your approval for the restructuring of the Existing Bonds so that the debt of the Company can be realigned.

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. 3 as a Special Resolution.

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

Item No. 4

Vide resolutions contained in the Postal Ballot Notice dated February 5, 2016, which were approved by the Members on March 18, 2016 (the "**Original Resolution**"), the shareholders have *inter alia* accorded their approval for restructuring of the Company's debts and allotment of Equity shares to lenders against conversion of a portion of their outstanding amounts due under a Debt Realignment Scheme (DRS).

In terms of the Original Resolution, it was contemplated that those lenders (including lenders of the Company's subsidiaries, lenders of facilities guaranteed by the Company and lessors) that are currently not a part of the CDR mechanism will join the CDR mechanism for the purpose of implementation of the DRS. However, some of the lenders may not join the CDR mechanism for various reasons (hereinafter referred to as the "Non CDR Lenders"). Since the



regulatory requirements for allotment of equity shares are different for CDR Lenders and non CDR Lenders and the Original Resolution does not cover this contingency, it is proposed to seek a fresh approval of the shareholders for allotment of Equity Shares to Non CDR Lenders. The lenders who are able to join the CDR mechanism will be issued shares in terms of the Original Resolution.

This resolution is to be read with the Original Resolution and only applies in respect of issue of Equity Shares to the Non CDR Lenders.

Equity Shares shall be issued and allotted by the Company to the relevant Non CDR Lenders within a period of 15 days from the date of passing of this resolution (or such other date as permitted under the SEBI Regulations), provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval (or such other date as permitted under the SEBI Regulations).

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 ("SEBI Regulations") and other applicable laws in this regard.

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 SEBI Regulations:

a) **The Object of the Preferential Issue:**

The object of the preferential issue is realignment of outstanding exposures of the Non-CDR Lenders of the Company, by issuing equity shares at a price as determined in accordance with the SEBI Regulations.

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

Upto 21.24 Crore equity shares would be issued in accordance with the terms of the DRS package. This proposed number is subject to reconciliation with each Non-CDR Lender and any deviation in the DRS package shall be 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 SEBI 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 SEBI 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:**

In terms of Clause 71(a) of Chapter VII of the SEBI Regulations, the relevant date for the pricing of equity shares shall be the date 30 (thirty) days prior to the date of passing of the Special Resolution.

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

The allotment is proposed to be made to all the Non-CDR lenders of the Company.

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 specified under the SEBI 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 Non-CDR Lenders of the Company as mentioned below, viz.

Axis Bank Limited, Development Credit Bank, Export Import Bank of India, Hewlett-Packard Financial Services (India) Private Limited, Kotak Mahindra Bank Limited, L&T Finance Limited, OPC Asset Solutions Private Limited, RBL Bank Limited (formerly The Ratnakar Bank Limited), Reliance Capital Limited, Rentworks India Private Limited, SBI Global Factors Limited, SREI Equipment Finance Private Limited, State Bank of India, Tata Capital Financial Services Limited, Yes Bank Limited.

After the preferential issue, the Non-CDR Lenders may collectively hold upto 33.15 % of the paid-up capital of the Company. The number of shares proposed to be issued to each Non-CDR Lender is subject to reconciliation between the Company and the Non-CDR Lender.

It is clarified that if any Non CDR Lenders agrees to participate in the CDR mechanism, then the Equity Shares will be issued to such lenders in terms of the Original Resolution.



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 Non-CDR Lenders will not trigger any change in control as post allotment, no individual Non-CDR 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 Non-CDR 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 Non-CDR Lenders.

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

Sr. No.	Name of the category	Pre-issue as on March 25, 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	3.58
	Individual	Nil	Nil	Nil	Nil
	Bodies Corporate	Nil	Nil	Nil	Nil
	Sub Total	30,560,488	4.77	30,560,488	3.58
2	Foreign Promoters	Nil	Nil	Nil	Nil
	Sub Total (A)	30,560,488	4.77	30,560,488	3.58
B	Non-Promoters' holding:				
1	Institutional Investors	212,512,906	33.16	299,085,549	35.05
2	Non-Institution:				
	Private Corporate Bodies	42,241,139	6.59	168,064,712	19.70
	Directors and Relatives	34,588	0.01	34,588	0.00
	Indian Public	312,988,837	48.84	312,988,837	36.68
	Others (Including NRIs)	42,465,970	6.63	42,465,970	4.98
	Sub Total (B)	610,243,440	95.23	822,639,656	96.42
	Grand Total	640,803,928	100.00	853,200,144	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:**

Details of the natural person(s) who ultimately control the Proposed Allottee(s) are given as under in terms of Regulation 73(1)(e) of SEBI Regulations –

(i) **Tata Capital Financial Services Limited ("TCFSL")**

TCFSL is a wholly-owned subsidiary of Tata Capital Limited.

(ii) **SREI Equipment Finance Private Limited**

This company is a 50:50 joint venture between SREI Infrastructure Finance Limited (SREI) and BNP Paribas Lease Group (BPLG). SREI is listed on London Stock Exchange and BPLG is a wholly-owned subsidiary of BNP Paribas.

(iii) **Hewlett-Packard Financial Services (India) Private Limited**

This company operates as a majority-owned subsidiary of Hewlett Packard Enterprise Company. Hewlett Packard Enterprise Company is listed on New York Stock Exchange.

(iv) **L&T Finance Limited**

This company is a wholly-owned subsidiary of L&T Finance Holdings Limited.

(v) **SBI Global Factors Limited**

This company is a majority-owned subsidiary of State Bank of India (SBI), with SBI holding 86.18% state in this Company.



(vi) **Rentworks India Private Limited**

This company is a wholly-owned subsidiary of Rentworks Mauritius Limited. Amongst the shareholders of Rentworks Mauritius Limited, only Girawin Pty Limited holds more than 25% stake in the company. Mr. John Alan Kinghorn is the ultimate beneficiary of Girawin Pty Limited.

(vii) **OPC Asset Solutions Private Limited**

The company operates as a majority-owned subsidiary of Winvest Holdings (India) Private Limited holding 85% and the ultimate beneficiaries are Mr. Loney Antony, Mr. C. Shyam Sunder, Mr. R. Raghunathan, Mr. R. Venkatesan and Mr. Parag Kapasi.

As per the said SEBI Regulations, if there is a listed company, mutual fund, bank or insurance company in the chain of ownership of the proposed allottees, no further disclosure is required. Thus, apart from the above mentioned 7 (seven) proposed allottees, this regulation is not applicable for the rest of the proposed allottees, which are banks and listed companies.

- o) The Company hereby undertakes, as per the requirement of Regulation 73(1)(f) of SEBI Regulations, that the price of the equity shares shall be re-computed in terms of Regulation 76B of the said 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 SEBI 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 the SEBI Regulations, 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 Wednesday, April 13, 2016 based on the pricing formula prescribed under Clause 76 of Chapter VII of SEBI Regulations and the proposed preferential issue is being made in accordance with the requirements of the SEBI 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 Wednesday, May 11, 2016.

r) **Lock-in Period:**

The equity shares allotted pursuant to the DRS package to the Non-CDR Lenders shall be locked-in as per the provisions of the SEBI Regulations.

The Company will ensure compliance with all applicable laws and regulations including the SEBI 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.

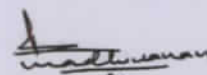
As per provisions of Section 62 of the Companies Act, 2013, allotment of shares to persons other than existing shareholders requires consent of the Shareholders by a Special Resolution. Since the Special Resolutions for the issuance of equity shares proposed in the Notice may result in the issue of shares 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 Resolution set out in Item No. 4 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
March 28, 2016

