

Helios and Matheson Information Technology Limited

Corporate Identity Number : L72291TN1991PLC020443

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POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, as amended from time to time ("Postal Ballot Rules"), for consent of Members to be obtained by means of Postal Ballot/e-voting for items listed hereinunder.

The draft Special/Ordinary Resolutions are appended below and an explanatory statement pertaining to the said resolutions setting out material facts and reasons for the resolutions is annexed.

In accordance with Clause 35B of equity listing agreement entered into by the Company with Stock exchanges wherein the Company's equity shares are listed and in terms of Section 110 of the Companies Act, 2013, and the Rules made thereunder, the Company has appointed National Securities Depository Limited ("NSDL") as the agency for electronic voting. Shareholders who wish to vote electronically are advised to follow the detailed instructions given for e-voting as annexed to this notice.

The Company has appointed Mr.G. Ramachandran, Practicing Company Secretary as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed Ballot Papers from the Members, in accordance with the Rules. You are requested to carefully read the instructions printed on the Form and return the Form duly completed, in the enclosed self-addressed, postage pre-paid envelope so as to reach the scrutinizer on or before 10th September, 2014 at 17.30 hours. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced on 13th September, 2014 at 5.30 P.M at the Corporate Office of the Company at Crest, IV Floor, Ascendas International Tech Park, CSIR-Taramani Road, Taramani, Chennai 600113. The said date of declaration of the result of the Postal Ballot will be taken as the date of passing of the resolution.

All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at Corporate Office of the Company at Crest, IV Floor, Ascendas International Tech Park, CSIR-Taramani Road, Taramani, Chennai 600113 during the office hours on all working days between 9:30 A.M. and 5.30 P.M upto 10th September, 2014.

The said notice of postal ballot and ballot form has also been placed on the Company's website viz www.heliosmatheson.com for perusal by the Members.

Enclosed: 1. Draft resolutions with Explanatory Statement; and
2. Postal Ballot Form & self-addressed postage pre-paid envelope

SPECIAL BUSINESS:

1. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 42 and 62 (1) (c) read with rules and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification, variation or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time, the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 applicable rules, regulations, guidelines or laws and / or any approval consent, permission or sanction of the Central Government, Reserve Bank of India or any other appropriate authorities, institution or bodies (hereinafter collectively referred to as the "appropriate authorities") and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the requisite approvals) which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) the Board be and is hereby authorized to, in its absolute discretion create, issue, offer and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants) which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities") to the Qualified Institutional Buyers ("QIBs") as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, on the basis of placement document(s) at such time and times in one or more tranche or tranches at par or at such price or prices and at a discount or premium to the price or prices in such manner, determined in accordance with the pricing formula prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended on such terms and conditions and in such manner as the Board may in its absolute discretion determine in consultation with the Lead Managers, Advisors or other intermediaries for an amount not exceeding Rs.300 Crore (Rupees three hundred crore only) including such premium amount as may be finalized by the Board."

“RESOLVED FURTHER THAT the relevant date for the determination of the applicable price for the issue of the QIP Securities (which are Equity Shares), if any, shall be the date on which the Board of the Company decides to open the proposed issue (“Relevant Date”).”

“RESOLVED FURTHER THAT the relevant date for the determination of the applicable price for the issue of any other type of QIP Securities, which are convertible into or exchangeable with Equity Shares at a later date, the date on which the holder of such securities becomes entitled to apply for share shall be the relevant date and such applicable price shall be subject to appropriate adjustments in the applicable rules/regulations/statutory provisions (“Relevant Date”).”

“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 any securities referred above or as may be necessary in accordance with the terms of the offering all such shares shall be subject to the terms of Memorandum of Association and Articles of Association of the Company and being paripassu with the then existing shares of the Company in all respects as may be provided under the terms of the issue and in the offering document.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to offer such equity shares at a price which shall not be less than the price prescribed in Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time including a discount of not more than 5% (or such other discount as may be prescribed by SEBI from time to time) as prescribed in the proviso to Regulation 85(1) of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.”

“RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.”

“RESOLVED FURTHER THAT the issue to the holders of the securities with equity shares underlying such securities shall be inter alia, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other reorganisation or restructuring in the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of securities or instruments representing the same as described above, the Board be and is hereby authorized on behalf of the Company to do all such acts deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and institution/ trustees/ agents and similar agreements/ and to remunerate the managers, underwriters and all other agencies/ intermediaries by way of commission, brokerage, fees and the like as may be involved or connected such offerings of such securities, with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.”

“RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds including but without limitation to, the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discount or premium amount on issue/conversion of the Securities, if any, the creation of such mortgage/charge under Section 180 (1) (a) of the said Act in respect of the aforesaid Securities either on *paripassu* basis or otherwise or in the borrowing of loans 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 be and is hereby authorized to appoint such consultants, Book runners, Lead Managers, underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Merchant Bankers and any other advisors and professionals as may be required and to pay them such fees, Commissions and other expenses as they deem fit.”

“RESOLVED FURTHER THAT the allotment of securities shall be to Qualified Institutional Buyers in accordance with the Qualified Institutional Placement (“QIP”), Chapter VIII of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time, and such securities shall be fully paid up and the allotment of such securities shall be complete within 12 months from the date of this resolution without the need for fresh approval from the shareholder and placements made in pursuance of this resolution if approved shall be separated by at least 6 months between each placement.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing/Deputy Managing Directors / Directors or any other officers / authorised representatives of the Company to give effect to the aforesaid resolution.”

2. Increase in the Authorised Share Capital and alteration of the Capital Clause in 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 the provisions of Section 13 sub-section (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) the Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 50,00,00,000/- (Rupees fifty crore only) divided into 4,00,00,000 (four crore) Equity Shares of Rs. 10/- (Rupees ten only) each and 1,00,00,000 (one crore) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each to Rs. 60,00,00,000/- (Rupees sixty crore only) divided into 5,00,00,000 (five crore) Equity Shares of Rs. 10/- (Rupees ten only) each and 1,00,00,000 (one crore) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each, by creation of additional 1,00,00,000 (one crore) equity shares of Rs 10 each (Rupees ten) each and that clause V of the Memorandum of Association of the Company be and is hereby altered as follows:”

“V. The authorised share capital of the company is Rs.60,00,00,000/- (Rupees sixty crore only) divided into 5,00,00,000 (five crore) Equity

Shares of Rs. 10/- (Rupees ten only) each and 1,00,00,000 (one crore) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each, by creation of additional 1,00,00,000 (one crore) equity shares of Rs 10 each (Rupees ten) each with power to increase or reduce the capital and to consolidate or subdivide the shares and issue shares of higher or lower denomination and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges and conditions attached thereto as may be determined by or in accordance with the articles of association of the company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such a manner as may for the time being be permitted by the articles of association of the company or the legislative provision for the time being in force in that behalf.”

3. Alteration of the Capital Clause in 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 (including any amendment thereto or any re-enactment thereof), the Article 16(f) of the Articles of Association of the Company be altered and substituted by the following clause:

16 (f) The authorised share capital of the Company is Rs. 60,00,00,000/- (Rupees sixty crore only) divided into 5,00,00,000 (five crore) Equity Shares of Rs. 10/- (Rupees ten only) each and 1,00,00,000 (one crore) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each with power to increase or reduce the capital and to consolidate or sub divide the shares and issue shares of higher or lower denomination in accordance with the provisions of the Companies Act 2013.

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

"RESOLVED THAT in accordance with the provisions of Section 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Foreign Exchange Management Act, 1999, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (including any statutory modification(s) or re-enactment thereof for the time being in force); and other applicable Rules, Regulations, Guidelines, Notifications, Circulars, Schemes, and Directions, if any, of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Stock Exchanges where the securities of the Company are listed (including provisions of the listing agreement with them), and other concerned and appropriate Government and other authorities; and other applicable Laws, and Statutes, if any, and the relevant provisions of the Memorandum and Articles of Association of the Company; and also subject to such approvals, consents, permissions, or sanctions of the Government of India (GOI), RBI, SEBI and any other Indian/Overseas appropriate authorities, institutions, bodies, or persons as may be necessary, and subject to such terms, conditions, stipulations, alterations, amendments, modifications or variations as may be prescribed by any of them in granting any such approvals, consents, permissions, or sanctions; and which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot on behalf of the Company, in one or more tranches (including with provision for reservation on firm and/ or competitive basis) of public or private offerings in domestic and/ or international markets, through prospectus and/ or offer letter, and/ or offering memorandum or circular, and/ or placement document, and/ or other permissible/ requisite offer document or letter; Foreign Currency Convertible Bonds (FCCBs), and/ or Global Depository Receipts (GDRs), and/ or American Depository Receipts (ADRs), other Depository Receipts (DRs), and/ or Securities representing either Equity Shares or convertible Securities through Depository Receipts, and/ or Equity Shares and/ or Preference Shares, and/ or Secured Premium Notes (SPNs), bonds whether fully or partly convertible or non convertible, and/ or any other Securities or financial instruments fully or partly convertible into Equity Shares at the option of the Company and/ or holders of the Security, and/ or Securities linked to Equity Shares and/ or other Securities with right of conversion in to Equity Shares, denominated and/ or subscribed to in Indian/Foreign Currency(ies), (hereinafter referred to as the "Securities"), whether secured by way of creating charge on the assets of the Company or unsecured, to any one or more of Indian or Foreign, Banks, Institutions, Institutional Investors, Funds, Mutual Funds, Pension Funds, Gratuity Funds, Hedge Funds, or any other Funds, Companies, Other Corporate Bodies, Trusts, individuals (including Resident/Non-Resident Indians, Foreign Nationals), and other eligible and/ or permitted Investors, bodies, persons or entities (hereinafter collectively referred to as "Investors") as may be decided by the Board; whether or not such investors are members of the Company; PROVIDED THAT the aggregate of the amount to be raised pursuant to this resolution shall not exceed Rs.300,00,00,000 (Indian Rupees three hundred Crore Only) or equivalent amount thereof in any other foreign currency as the case may be (inclusive of such premium as may be determined).

RESOLVED FURTHER THAT such offer, issue and allotment be made, at such time or times, in Indian Rupees or any convertible foreign exchange or other currencies as may be permissible and/ or required, at such price or prices (subject to applicable price restrictions, prescribed if any in this regard), in such form and manner and on such other terms and conditions as may be decided and deemed appropriate by the Board at the time of such offer, issue and allotment, subject however, to the applicable statutory provisions, laws, rules, regulations, guidelines, schemes, notifications, circulars, directions, and other applicable requirements..

RESOLVED FURTHER THAT in case of offer/issue/allotment of shares/securities in Indian and/ or international market under the respective guidelines of SEBI, RBI, or other appropriate authorities, as the case may be, the price (inclusive of premium) of the shares and/ or securities shall be determined in accordance with the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and other respective applicable guidelines, rules, regulations or directions, if any, of the appropriate Authorities.

RESOLVED FURTHER THAT the relevant date for determination of the issue price of the securities offered, shall be determined in accordance with the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and other respective applicable guidelines, rules, regulations or directions, if any, of the appropriate Authorities.

RESOLVED FURTHER THAT the Company through its Board or any of its Committee and/or any agency or body authorised by the Company, may issue receipts/certificates or other requisite documents representing the underlying Equity Shares/securities/debts issued/to be issued by the Company with such features and attributes as are prevalent in Indian/International capital markets, for instruments of this nature and provide for the free/restricted tradability or transferability thereof as per laws, rules, regulations, requirements and guidelines under the forms and practices prevalent in the Indian/International market.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, offer, issue and allot, from time to time, such number of Equity Shares/Securities at such price that may be decided by the Board in its absolute discretion (subject to the applicable pricing guidelines), as may be necessary in accordance with the terms of the offering of any of the aforesaid shares/securities, including additional equity shares or securities, all such shares/securities ranking pari- passu in all respects, with the then existing respective shares/securities, as the case may be, of the Company, but shall be subject to such lock-in requirements and/ or trade/transferability restrictions, as are/may be prescribed from time to time by appropriate authorities under applicable laws, rules, regulations, guidelines, scheme and directions if any.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment of securities or instruments or equity shares or securities representing the same, or otherwise implementing this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but without limitation, determining the type, form, manner and size of the issue/securities, the class of eligible investors to whom the securities are to be offered, issued and allotted in each tranche, issue price, face value, premium/discount amount on issue/ conversion of securities/ redemption of securities, rate of interest, conversion or redemption period, any modification of the originally decided terms of conversion or redemption of the securities, appointment of Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants, Depositories, Custodians, Registrars, Trustees, Bankers, Agents, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or otherwise, entering into or execution of all such agreements/arrangements/Memorandum of Understandings/documents with any authorities/agencies, and listing of the shares/securities (including the resultant equity shares to be issued as per the terms of issue of the said securities) on any Indian and/or Foreign Stock Exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of the aforesaid shares/securities, their conversion or redemption and utilisation of the issue proceeds, or if required, to cancel the issue, or vary the size or the terms of the issue, as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred on it to any committee of Directors or Managing Directors, or any Director or Directors or other officer(s) of the Company, or to any intermediary or agent of the Company, or to such other person(s) as the Board may think fit and necessary at its absolute discretion."

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

RESOLVED THAT in supersession of the earlier resolution passed at the general meeting held on 28.09.2007 and pursuant to Section 180(1)(c) and all other enabling provisions of the Companies Act, 2013, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may deem fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed shall not exceed Rs.1000,00,00,000/- (Rupees one thousand Crore Only).

RESOLVED FURTHER THAT the Board or any of its duly constituted committee be and is hereby authorised to do and perform all such acts, deeds and things and to take all steps as may be considered necessary, proper and expedient to carry on the purpose of this resolution."

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed at the general meeting held on 28.09.2008 and pursuant to the provisions of section 180(1)(a) and all other applicable provisions if any of the Companies Act, 2013 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter "the Board") for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans/ borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business.."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or any of its duly constituted committee be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the charge/mortgage aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 76 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Acceptance of Deposits) Rules, 2014, consent of the company be and is hereby accorded to the Board of Directors or its duly constituted committee of the Company to accept Deposits both secured as well as unsecured or a combination thereof from Public and shareholders not exceeding the limits specified from time to time in this behalf (hereinafter referred to as public deposits)

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable assets of the Company both present and future on such terms and conditions, as may be agreed to between the Board and Trustees for the depositors to secure an amount not less than the amount of secured deposits accepted from time to time, which is in addition to the limits approved under Section 180 (1)(a) of the Companies Act, 2013 to create charge on assets of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be and is hereby authorized to do and perform all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper, desirable and expedient to give effect to this resolution and / or to comply with any statutory requirements as may be prescribed in this behalf from time to time and to settle any question, difficulty, doubt that may arise in acceptance of aforesaid public deposits.”

By order of the Board of Directors
For Helios and Matheson Information Technology Limited

G.K.Muralikrishna
Managing Director

Date : July 25 2014

Place : Chennai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.1:

Your Company, in order to enhance its global competitiveness in the service industry needs to strengthen its financial position by augmenting long term resources from time to time.

The proposed special resolution seeks the approval of the Members to the Board without the need for seeking any further approval from the Members for the proposed Qualified Institutional Placement (“QIP”) with the Qualified Institutional Buyers (“QIB”) in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) (“SEBI ICDR Regulations”). Pursuant to the above, the Board may in one or more tranches issue and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants) which are convertible into or exchangeable with equity shares on such date at such price or prices, at a discount or premium to the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations as may be determined by the Board but not later than 60 months from the date of allotment (Collectively referred to as “QIP Securities”).

The relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board of the Company decide to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be. For reasons aforesaid a resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of issue. The securities issued pursuant to the offering would be listed on the Indian Stock Exchanges.

The securities issued under QIP issue pursuant to offer may, if necessary be secured by way of mortgage/ hypothecation on the Company's assets as may be finalized by the Board of Directors in consultation with the security holders / trustees in favour of security holder/trustees for the holders of said securities. As the documents to be executed between the security holders/ trustees for the holders of the said securities and the Company may contain the power to take over the management of the Company in certain events, enabling approval is also sought under Section 180(1) (a) of the Companies Act, 2013.

Section 62(1)© of the Companies Act, 2013 and the Listing Agreement entered with the Stock Exchanges provide, inter alia that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company in proportion to the Capital paid up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to make the proposed issue of securities in consultation with the Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares to issue to the holders of such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules and regulations or guidelines

The Board recommends the above resolution for your approval in the best interest of the Company.

None of the Directors and Key Managerial Personnel and their relatives is in any way concerned or interested in the resolution.

Items 2 & 3:

The present authorized equity share capital of the Company is Rs. 50,00,00,000 consisting of 4,00,00,000 Equity Shares of the face value of Re. 10/- (Rupee ten) each and 1,00,00,000 Redeemable Preference Shares of Rs.10/- each. Given that the company is proposing to issue/allot equity shares/fully convertible debentures/partly convertible debentures/non convertible debentures with warrants/any other securities (other than warrants) which are convertible into or exchangeable with equity shares to Qualified Institutional Buyers, as contemplated in Item 1 above, it is considered desirable to increase the authorized share capital from Rs. 50,00,00,000 to Rs.60,00,00,000 to enable the issuance of such Equity Shares pursuant to the issue of equity or conversion into equity shares of the company as contemplated in item no 1 above. Consequent upon the increase in the authorised share capital as proposed, the Clause V of the Memorandum of Association and Article 16 (f) of the Articles of Association shall be altered accordingly. The Board has accordingly decided to seek the approval of the Members for increase in authorised share capital and also consequent amendments to the Memorandum and Articles of Association and recommends the passing of the respective resolutions as set out at Items 2 and 3 above.

None of the Directors and Key Managerial Personnel and their relatives is in any way concerned or interested in the resolution.

Item no 4

The Company proposes to raise funds at appropriate time for one or more of the following purposes, viz., for Repayment of Debt and Interest, incurring of Capital Expenditure, Investment in Subsidiaries including Overseas Subsidiaries and Step-down Subsidiaries, Issue expenses and to invest the temporary surplus funds in treasury and/or other permissible purposes.

After carefully considering various alternative available means to enhance the needed financial resources, the Board of Directors of the Company has proposed to raise finance to the extent of Rs.300,00,00,000 (Indian Rupees three Hundred Crore Only) or equivalent amount thereof in any other foreign currency in the manner as set out in special resolution at item no.4 of this notice. The Company is planning to raise the said funds in one or more branches by issue of Securities in International markets by way of Public/Private issue/offering of Foreign Currency Convertible Bonds (FCCBs), or Global Depository Receipts (GDRs) or any other kind of securities /instrument(s), as has been referred to in the said special resolution.

Since the pricing and other detailed terms and conditions for such offerings can be determined only at a later stage, the said resolution is proposed as an enabling resolution, seeking approval of the members of the Company for proposed issue(s) of securities and is proposing to confer authority on the Board to do all acts and deeds which may be required to create, offer, issue and allot securities of appropriate nature at opportune time, including the size, structure, price, timing and other terms and conditions of the offer/issue.

The detailed terms and conditions for such offerings including the pricing will be determined in consultation with the merchant bankers, lead managers, consultants, advisors, underwriters and/or such other intermediaries that may be appointed for the issue/offer. Wherever necessary and applicable, the pricing and other terms and conditions of the issue/offer will be finalised in accordance with applicable guidelines, directions, rules and regulations in force of the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, and other appropriate authorities; subject to the minimum price of the shares/securities to be issued and allotted being kept in accordance with such applicable guideline, as also the lock-in requirement/transferability/trading restrictions on such shares/securities.

Sections 42, 62(1)(c) of the Companies Act 2013 inter-alia provides that whenever it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall first be offered to the existing shareholders of the Company in the manner laid down in the said Section; unless the shareholders decide otherwise by a special resolution. Accordingly, consent of the members of the Company is being sought by way of Special Resolution pursuant to the provisions of Sections 42, 62(1)(c) and all other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the listing agreement(s) executed by the Company with the Stock Exchange(s), and other applicable laws, rules, regulations, guidelines, and directions, authorising the Board to create, offer, issue and allot securities as stated in the said resolution, which would result in issuance of further securities of the Company to persons, who may be other than the existing members, in accordance with the terms and nature of the securities.

Your Directors recommend the said special resolution for your approval, as they feel the same to be in the interest of the Company.

None of the Directors and Key Managerial Personnel and their relatives is in any way concerned or interested in the resolution.

Item no 5 & 6.

The Members of the Company at their Annual General Meeting held on September 26 2007, had inter alia, passed an ordinary resolution pursuant to Section 293 (1) (d) of the Companies Act, 1956 (the Act), authorising the Board of Directors of the Company to borrow funds/money in excess of the aggregate of the paid-up capital of the Company and its free reserves (not including the temporary loans obtained from the bankers in the ordinary course of business), subject to the maximum limit of Rs. 500,00,00,000/- (Rs Five hundred crore only). Further, the Members of the Company at their Annual General Meeting held on September 26, 2008, had inter alia, passed pursuant to Section 293 (1) (a) of the Companies Act, 1956, an ordinary resolution authorising the Board of Directors of the Company to create mortgage /charge on assets/undertaking of the Company for securing the borrowings of the Company upto a limit of Rs 500 crore..

The Ministry of Corporate Affairs vide their Notification No.2754, dated September 12, 2013, had notified inter alia, the applicability of provisions of Section 180 (1) (c) and Section 180 (1) (a) of the Companies Act, 2013, with effect from September 12, 2013, which stipulates obtaining prior approval of the members by way of special resolution for exercising the specified powers of the Board of Directors relating to borrowing and selling/disposing off etc. of an undertaking of the Company respectively. Although the Company had earlier obtained the necessary approvals of the members by respective ordinary resolutions for the said matters, in view of the requirements now imposed; for passing of the special resolution for obtaining shareholders' approvals for the said matters under Section 180(1)(c) and Section 180 (1) (a) of the Companies Act, 2013, the relevant resolutions are proposed for the members' approval at item nos. 5 & 6 of this notice. It may be noted that it is proposed to increase the borrowing limits of the Board from the earlier limit of Rs.500 crore to Rs 1000 crore.

Further, as creating certain type of charge/security on the assets/undertaking of the Company to secure borrowings of the Company may amount to selling/disposing off the assets/undertaking of the Company, approval of the members by special resolution is sought under item no.6 of the notice for creating mortgage/charge on the assets of the company.

The Board of Directors recommends both the resolutions set out at Item Nos.5 and 6 of the Notice for approval of the Members, as they feel the same are in the interest of the Company.

None of the Directors and Key Managerial Personnel and their relatives is in any way concerned or interested in the resolution. No Director or Key Management Personnel of the Company or their relatives are in any way concerned or interested in the said resolutions.

Item no 7

The members are hereby apprised that the company had been accepting deposits as permissible under the provisions of The companies Act, 1956 read with the corresponding Companies (Acceptance of Deposits) Rules, 1975 earlier in force.

However, with the commencement of Companies Act, 2013 ('the 2013 Act') deposits are now governed by the provisions of Sections 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and approval of shareholders is therefore required for inviting/ accepting/ renewing deposits. Under Rule 3(4) of the Companies (Acceptance of Deposits) Rules, 2014, an eligible Company shall accept or renew deposits (a) From its members not exceeding 10% of the aggregate of the paid up share capital and free reserves of the Company (b) Other deposits not exceeding 25% of the aggregate of the paid up share capital and free reserves of the Company.

The Company upon obtaining approval of the shareholders will proceed to comply with the requirements stipulated under Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

The Board of Directors of your Company recommends the resolution as set out in the accompanying notice for the approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except to the extent of their deposit holding and / or their shareholding in the Company, if any.

By order of the Board of Directors
For Helios and Matheson Information Technology Limited

G.K.Muralikrishna
Managing Director

Date : July 25 2014

Place : Chennai

Notes:

1. In compliance with provisions of Section 110 of the Act read with the Companies (Management & Administration) Rules, 2014, the Company is pleased to offer e-voting facility to all the Shareholders of the company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional The instructions for Shareholders for e-voting are as under:

(a) In case of shareholders receiving e mail from NSDL:

(i) Open e-mail and open PDF file viz; "HELIOSMATHESON-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.

(ii) Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com/>

(iii) Click on Shareholder Login

(iv) Put user ID and password as initial password noted in step (i) above.

Click Login.

(v) 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 take utmost care to keep your password confidential.

(vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of HELIOS AND MATHESON IT Limited

(viii) Now you are ready for e-Voting as Cast Vote page opens

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (ie.other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail ramgcs@gmail.com with a copy marked to evoting@nsdl.co.in.
- (b) In case of Shareholders' receiving Postal Ballot Form by Post:
 - (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN(E Voting Event)	USER ID	PASSWORD

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (c) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- (d) You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- (e) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Down- loads sections of <https://www.evoting.nsdl.com> or contact NSDL at the follow- ing Telephone No.022-2499 4600.
- (f) Shareholders who have registered their email IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link www.evoting.nsdl.com or from the investor information page on Company's website www.heliosmatheson.com or seek duplicate Postal Ballot Form from M/s.Integrated Enterprises (India) Limited, Unit:Helios and Matheson IT Limited, II Floor, Kences Towers, no 1, Ramakrishna Street, off North Usman Road, T Nagar, Chennai- 600 017 fill in the details and send the same to the Scrutinizer.
 1. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
 2. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
 3. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 01st August, 2014.
 4. The voting period commences from (09:30 hours), Monday the 11th August 2014 and ends on the close of working hours (i.e. 17:30 hours), Wednesday the 10th September 2014. The e-voting module shall also be disabled by NSDL for voting thereafter.
 5. Mr. G Ramachandran, Company Secretary in Practice is appointed as the Scrutinizer for conducting Postal Ballot process in a fair and transparent manner.
 6. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced on 13th September, 2014 at 5.30 P.M at the Corporate Office of the Company at Crest, Ascendas International Tech Park, CSIR-Taramani Road, Taramani, Chennai 600113. The said date of declaration of the result of the Postal Ballot will be taken as the date of passing of the resolution. The result will also be announced at the next Annual General Meeting of the company.
 7. The Board of Directors has appointed Mr K.M.Kumar, Compliance Officer and Company Secretary as the person responsible for the postal ballot process.