



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 24th Annual General Meeting (AGM) of the Company will be held on Thursday the 28 September 2017 at 9.30 a.m. at B-42, Industrial Estate, Sanathnagar, Hyderabad - 500 018, Telangana, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2017 including Audited Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Director's and Auditor's thereon.
2. To approve the dividend declared by board of directors for the financial year ended 31 March 2017.
3. To appoint a director in place of Mr Ashok Atluri (DIN: 00056050), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors by passing the following resolution with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Sekhar & Co, Chartered Accountants, (Registration number 003695S), Secunderabad, be and are hereby appointed as Statutory Auditors of the Company to hold the office for a period of 5 years from the conclusion of this meeting till the conclusion of 29th Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

5. 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 Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms Madati Sridevi (DIN: 02446610), who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 29 May 2017 on expiry of her tenure of office as Independent Director of the Company on 31 March 2017, having submitted a declaration that she meets the criteria of Independence under Section 149 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a second term of 3 (Three) consecutive years up to 28 May 2020, not liable to retire by rotation."

6. 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 Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of members of the Company be and is hereby accorded to appoint Mr Rajesh Katragadda (DIN: 02727491), who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 24 August 2017 and who has submitted a declaration that he meets the criteria of Independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed

as an Independent Director of the Company to hold office for a period of 3 (Three) consecutive years up to 23 August 2020, not liable to retire by rotation.”

7. 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 all other applicable provisions of the Companies Act, 2013, if any, read with Companies (Incorporation) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), a new set of Articles of Association placed before the members, be and is here by adopted and substituted in place of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental thereto in the best interest of the Company.”

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

“**RESOLVED THAT** in supersession of the shareholders resolution dated 27 September 2014 and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), pursuant to the resolutions passed by the Nomination and Remuneration Committee and Board of Directors, approval of the members be and is hereby accorded to reappointment of Mr Ashok Atluri (DIN: 00056050) as the Managing Director of the Company for a period of 3 years with effect from 1 October 2017 to 30 September 2020 on the following terms and conditions:

- A. BASIC SALARY:** ₹ 3,00,000/- (Rupees Three Lakhs only) per month.
- B. PERQUISITES:** In addition to the aforesaid salary, Mr Ashok Atluri shall also be entitled to the following perquisites classified into three categories I, II & III as follows:

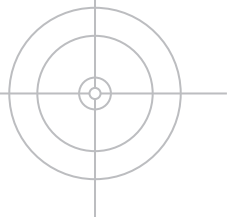
CATEGORY – I

The following perquisites given in this Category will be allowed in addition to the salary and restricted to a maximum amount of ₹ 22,00,000/- (Rupees Twenty Two lakhs only) per annum.

- a) House Rent Allowance: House Rent Allowance at the rate of forty percent of salary (40%). The expenditure incurred by the company on gas, electricity, water and furnishing shall be evaluated as per the Income Tax Rules, 1962 or any modification thereof subject to a ceiling of ten percent of the salary (10%).
- b) Medical Insurance: As provided by the Company group mediclaim policy insurance coverage upto a maximum of ₹ 5,00,000/- per annum.
- c) Leave Travel Concession: For self and family, once in a year incurred in accordance with the rules specified by the Company.
- d) Club Fee: Fee of clubs subject to maximum of two clubs. This will not include admission and life membership fees.
- e) Personal Accident Insurance: As per Company’s policy.

CATEGORY – II

- f) Contribution to Provident Fund, Superannuation Fund or Annuity Fund shall be in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961.



- g) Gratuity at the rate not exceeding half a month's salary for each completed year of service.

CATEGORY – III

- h) Use of Car with Driver: The Company shall provide a car with driver for business use. The Company will bill use of car for personal purposes.
- i) Communication facilities: The Company will provide all communication facilities like Telephone / Internet /Mobiles /Fax at residence of the Managing Director and will pay the bills on actual basis. Personal long distance telephone calls shall be borne by Mr Ashok Atluri.

C. OTHER TERMS:

- 1) Encashment of Leave at the end of tenure shall be allowed as per the Company Rules. Leave accumulated but not availed in the previous financial year will be carried forward to next financial year as per the Company Rules.
- 2) Reimbursement of reasonable entertainment and other expenses actually and properly incurred in connection with the business of the Company.
- 3) Mr Ashok Atluri shall not, so long as he functions as the Chairman and Managing Director, be entitled to receive any fee for attending any meeting of the Board or Committee thereof.

D. COMMISSION:

In addition to the above, commission @3% on the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, be paid to the Managing Director subject to the condition that the total remuneration for each year shall not exceed the overall limit as provided under Section 197 of the Companies Act, 2013 read with schedule V of the Companies Act, 2013.

E. INCREMENTS:

Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and /or remuneration including annual increments based on the performance appraisal, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto."

RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary and other benefits to Mr Ashok Atluri shall always be within the overall ceiling laid down in Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, in any financial year during the tenure of Managing Director, salary, perquisites and other allowances shall be paid subject to the limits stipulated under Schedule V read with Sections 197 of the Companies Act, 2013."

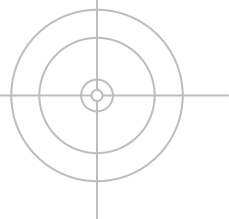
By order of the Board
For Zen Technologies Limited

M Satish Choudhury
Company Secretary
(M.No. ACS 30204)

Place : Hyderabad
Dated : 24 August 2017

NOTES:

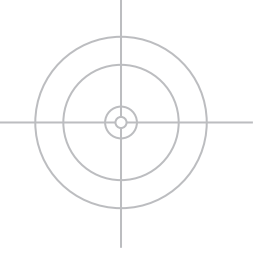
1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy forms in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting.
3. Members/proxies/authorized representatives are requested to bring their copies of Annual Report and produce duly filled in attendance slip at the entrance of the venue. Members holding shares in Demat form shall write their DP ID No. and Client ID and those holding in Physical form shall write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer books of the Company will remain closed from **21 September 2017 to 28 September 2017 (both days inclusive)** for the purpose of payment of dividend for the financial year ended 31 March 2017 and the AGM.
6. The Company's ISIN for its equity shares is INE251B01027.
7. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company / Registrar and Share Transfer Agents, M/s Karvy Computershare Private Limited (Karvy). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends.
8. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors for the year ended 31 March 2017, if declared at the meeting, will be paid within a period of 30 days from the date of declaration to those members whose names appear on the Register of Members of the Company as on record date after giving effect to all valid share transfers in physical form which would be received by the Company up to the end of business hours on record date. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
9. Pursuant to the provisions of Section 124 of Companies Act, 2013, the Company has transferred the unpaid/unclaimed dividend for the financial year upto 2008-09 to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account. Members, who have a valid claim to any unclaimed dividends which are not yet transferred, may claim the same from the Company immediately.
10. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts (till date of last Annual General Meeting) on the website of the Company at http://www.zentechnologies.com/investor_relations/zen-unpaid-unclaimed-dividend-24-september-2016.php
For the year 2015-16, the unclaimed dividend details are provided at: http://www.zentechnologies.com/investor_relations/Unclaimed-dividend-2015-16-as-on-31-12-2016.pdf
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.



12. All relevant documents referred in the accompanying Notice and explanatory statement are open for inspection to the Members at the Registered Office of the Company during business hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.
13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to Karvy.
14. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy/Depository Participant to enable the Company to send communications electronically.
15. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
16. Members may also note that the Notice of the 24thAGM and the Annual Report 2016-17 will be available on the Company's website, www.zentechologies.com. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members desiring any information as regards accounts are requested to write to the Company to: investors@zentechologies.com, at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
17. Additional information, pursuant to Regulation 36 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges, in respect of the directors seeking appointment / re-appointment at the AGM is annexed as **Annexure-A** to this Notice. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
18. **Voting by electronic means:**
 - I. The Company pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is providing e-voting facility to its Members holding shares on **21 September 2017**, being the cut-off date fixed for determining voting rights of members to exercise their votes electronically on the items of business given in the Notice through the electronic voting service facility provided by M/s Karvy Computershare Private Limited.
 - II. Instructions and other information relating to remote e-voting:
 - 1) **A)** In case a member receives an **e-mail** from Karvy [for members whose e-mail addresses are registered with the Company/Depository Participant(s)]:
 - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (b) Enter the login credentials i.e. User ID and password which is sent separately.

The e-voting event number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.

- (c) After entering these details appropriately click on “LOGIN”.
 - (d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (e) You need to login again with the new credentials.
 - (f) On successful login, the system will prompt you to select the e-voting event number for the Company.
 - (g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as on the cut off date. You may also choose the option “ABSTAIN”. If the shareholder does not include either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - (h) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
 - (i) Voting has to be done for each resolution of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - (j) You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - (k) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).
 - (l) Corporate/Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (pdf format) of the Board Resolution/Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: rao_ds7@yahoo.co.in with a copy marked to evoting@karvy.com and may also upload the same in the e-voting in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVENT NO.”
- B)** In case a member receives physical copy of the notice **by courier / post** [for members whose e-mail ids are not registered with the Company/Depository Participant(s)]:
- (a) User ID and initial password – as provided overleaf.
 - (b) Please follow all steps from sr. no. (a) to (l) as mentioned in (1A) above, to cast your vote.
 - 2) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - 3) In case of any query pertaining to e-voting, please visit help & FAQ’s section available at Karvy’s website <https://evoting.karvy.com>.



- 4) Members can cast their vote online **from 25 September 2017 from 10.00 a.m. to 27 September 2017 up to 5.00 p.m.** During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., **21 September 2017**, may cast their vote electronically. The remote e-voting module will be disabled by Karvy for voting thereafter.
- 5) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- 6) Only those Members, whose names appear in the Register of Members / List of beneficial owners as on Thursday the 21 September 2017 (Cut-off date), shall be entitled to vote (through remote e-voting / physical ballot paper) on the resolutions set forth in the Notice of the 24th AGM and their voting rights shall be in proportion to their shares in the paid up equity share capital of the Company as on the Cut-off date.
- 7) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21 September 2017 and who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM.
- 8) Members can opt for only one mode of voting i.e. either by physical ballot paper or remote e-voting. However, if Members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail.
- 9) The Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
- 10) Any person, who acquires shares and becomes Member of the Company after the dispatch of the Notice and holds shares as on the Cut-off date i.e. Thursday the 21 September 2017 may obtain the login ID and password may call Karvy's toll free number 1800-345-4001. Member may send an e-mail request to evoting@karvy.com or contact Mr V Raghunath, Ph: 040-67161602 /1605, at Karvy Computershare Private Limited, Unit: Zen Technologies Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, requesting for User ID and Password. After receipt of the above credentials, please follow all the steps explained in 1 above, to cast the vote.
- 11) The Board of Directors has appointed Mr D S Rao, Practicing Company Secretary, (M. No. 12394), as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 12) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
- 13) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the

Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

- 14) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed at the 24th Annual General Meeting of the Company held on Thursday the 28 September 2017. The result declared, along with the Scrutinizer's Report, will be placed on the Company's website, www.zentechnologies.com and on the website of Karvy immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the BSE Ltd and National Stock Exchange of India Ltd.
- 15) All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days (except Saturday & Sunday) up to the date of declaration of the result of the 24th Annual General Meeting of the Company.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

Ms Sridevi Madati whose period of office as an Independent Director of the Company expired on 31 March 2017 was appointed as Additional Director (Non-Executive Independent) of the Company with effect from 29 May 2017, in the Board Meeting held on 29 May 2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and holds office up to the date of this AGM.

The Company has received from Ms Sridevi Madati (i) consent in writing to act as director in Form DIR 2, (ii) intimation in Form DIR 8 to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

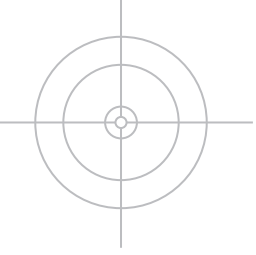
The Board of Directors of the Company, after reviewing the documents submitted by Ms Sridevi Madati are of the opinion that she fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Ms Sridevi Madati is independent of the Management. The terms and conditions of appointment of Ms Sridevi Madati shall be open for inspection by the Members at the Registered Office of the Company during the business hours on any working day, up to the date of Annual General Meeting and during the Annual General Meeting.

The Company has also received a notice in writing from members along with the deposit of ₹ 1,00,000/- in terms of Section 160 of the Act proposing the candidature of Ms Sridevi Madati for the office of Director of the Company to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members by way of special resolution for the appointment of Ms Sridevi Madati as Independent Director of the Company for a period of 3 years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.

No Director, Key Managerial Personnel or their relatives, except Ms Sridevi Madati, to whom the resolution relates, are concerned or interested in the resolution.

The Board of Directors in the interest of the Company recommends the resolution set out at Item No 5 of the Notice for the approval of the members.



Item No. 6

Mr Katragadda Rajesh was appointed as Additional Director (Non-Executive Independent) of the Company with effect from 24 August 2017, in the Board Meeting held on 24 August 2017, pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and holds office up to the date of this AGM.

The Company has received from Mr Katragadda Rajesh (i) consent in writing to act as director in Form DIR 2, (ii) intimation in Form DIR 8 to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of your Company, after reviewing the documents submitted by Mr Katragadda Rajesh are of the opinion that the said Director fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Mr Katragadda Rajesh is independent of the Management. The terms and conditions of appointment of Mr Katragadda Rajesh shall be open for inspection by the Members at the Registered Office of the Company during the business hours on any working day, up to the date of Annual General Meeting and during the Annual General Meeting.

The Company has also received a notice in writing from members along with the deposit of ₹ 1,00,000/- in terms of Section 160 of the Act proposing the candidature of Mr Katragadda Rajesh for the office of Director of the Company to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr Katragadda Rajesh as Independent Director of the Company for a period of 3 years up to 23 August 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

No Director, Key Managerial Personnel or their relatives, except Mr Katragadda Rajesh, to whom the resolution relates, are concerned or interested in the resolution.

The Board of Directors in the interest of the Company recommends the resolution set out at Item No 6 of the Notice for the approval of the members.

Item No. 7

The Articles of Association ("AoA") of the Company currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956 and subsequent amendments made.

With the introduction of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions. It is therefore considered and proposed by the Board to replace the existing AoA with the entirely new set of AoA. The substitution of the existing AoA with the new AoA is proposed to align the AoA of the Company with the provisions of the Companies Act, 2013.

A copy of the proposed set of new draft Articles of Association is annexed to the annual report.

The Board commends your approval by way of special resolution for the resolution proposed for Alteration of Articles of association as per the provisions of section 14 of the Companies Act, 2013.

None of the Directors/ Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the special resolution.

Item No. 8

Mr Ashok Atluri has been appointed as Managing Director at 21st Annual General Meeting of Company for a period 5 years w.e.f. 1 November, 2014. Considering the provisions of Section 196 and Schedule V, the Board proposed

to reappoint him for a period of 3 years w.e.f. 1 October, 2017 on the terms and conditions set-out hereunder, in supersession of the earlier resolution, on the recommendation of Nomination and Remuneration Committee.

During his tenure as Managing Director of your Company, he has made significant contribution to the growth of the Company in terms of business and profitability. Considering the immense contribution made by Mr Ashok Atluri and in the interest of efficient management and further progress of your Company, the Board of Directors based on the recommendations made by the Nomination and Remuneration committee of the Board have decided to reappoint him as Managing Director of the Company for another term of 3 years on the terms and conditions as set out in the resolution at Item No 8 for reappointment of Managing Director effective from 1 October 2017 subject to your approval.

Mr Ashok Atluri, a Bachelor of Commerce and a PG Diploma holder in Applied Computer Science also has experience in the field of Business Management, Strategy, Finance and Administration. He has been instrumental in helping to design the simulators so that they would be simple to use, and ensured that the products would be based on industry standards, by developing the software on the Windows-Intel platforms. He is also a recipient of the "Small Scale Entrepreneur of the Year" award from Hyderabad Management Association in 1998.

He holds 2,01,76,250 equity shares of the Company. He is also Director on the Board of your Company's subsidiary, Version 2 Games Limited, Zen Skillproc Private Limited, Zentech Offsets Management Services Private Limited and also Director of Defence Innovators and Industry Association.

As per Section 196 and 197 and the rules made thereunder read with Schedule V of the Companies Act, 2013, the reappointment of Mr Ashok Atluri as the Managing Director of the Company requires your approval by way of special resolution and hence this resolution is proposed.

No Director, Key Managerial Personnel or their relatives, except Mr Ashok Atluri, to whom the resolution relates and Mr Kishore Dutt Atluri, is in any way, concerned or interested in the resolution.

The Board of Directors in the interest of the Company recommends the resolution set out at Item No 8 of the Notice for the approval of the members.

STATEMENT OF INFORMATION PURSUANT TO SCHEDULE V, PART- II OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

- (1) Nature of industry: Manufacturing of Training Simulators and allied products
- (2) Date of commencement of commercial production: 9 July 1993
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators: (₹ in Lakhs)

Financial performance	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue from Operations	3711.28	4635.25	7854.77	5261.53	6165.71
Other Income	466.05	353.60	331.70	546.62	361.75
Total Income	4177.33	4988.85	8186.47	5808.15	6527.46
Net profit /(loss) as per profit and loss account	470.08	9.33	1573.92	231.80	716.62
Amount of dividend paid (excluding dividend tax)	88.88	77.16	270.06	77.16	*115.74
Rate of dividend declared	10%	10%	35%	10%	*15%

* The Board of Directors recommended the dividend which will be paid subject to approval of shareholders in the ensuing Annual General Meeting.

- (5) Export performance and net foreign exchange collaborations: (₹ in Lakhs)

Particulars of Foreign Exchange	2012-13	2013-14	2014-15	2015-16	2016-17
Earned during the year	59.98	109.31	36.54	203.39	2239.04
Used during the year	63.47	669.94	178.07	208.05	487.45

- (6) Foreign investments or collaborators, if any:

Foreign Investment

Name of Entity	Paladin Paradigm Knowledge Solutions INC., Canada
Amount of investment as on 31 March 2017	₹ 34,12,000/-

II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background details:

Mr Ashok Atluri, aged 51 years is a PG Diploma holder in Applied Computer Science also has experience in the field of Business Management, Strategy, Finance and Administration. He has been instrumental in designing the simulators on the Windows-Intel platforms to ensure the products are simple to use and meet industry standards.

- (2) Past remuneration: Paid ₹ 51.80 Lakhs per annum and ₹ 9.56 Lakhs commission during the FY 2016-17
- (3) Recognition or awards: He received the "Small Scale Entrepreneur of the Year" award from Hyderabad Management Association in 1998
- (4) Job profile and suitability:

Mr Ashok Atluri is Chairman and Managing Director since more than two decades and has played an important role in the growth of Zen Technologies Limited. The position requires deep understanding of the customer and procurement process. Understanding the customer helps in deciding how to address the

needs and understanding the process helps in delivering the developed equipment to the customer. Mr Ashok Atluri has deep experience with the customer and has deep grasp of the procurement process.

(5) Remuneration proposed:

Salary, perquisites and other allowances shall be paid subject to the limits stipulated under Schedule V read with Sections 197 of the Companies Act, 2013.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

Taking into consideration of the size of the Company, the profile of Mr. Ashok Atluri and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr Ashok Atluri is Chairman and Managing Director of the Company and holds 2,01,76,250 equity shares.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

Lower turnover due to delay in government procedures to finalize orders, increase in R&D expenditure and the fixed overheads.

(2) Steps taken or proposed to be taken for improvement:

Delay in orders from the government is the main cause of the poor performance. We expect that orders will materialize during the current year. Additionally, the Company is focusing on developing the export market to ensure continuous flow of orders.

IV. DISCLOSURES:

All elements of remuneration package of the Directors have been given in the Report on Corporate Governance under the head Remuneration paid to Directors for the Financial Year 2016-17.

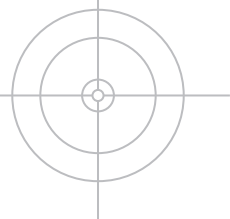
By order of the Board
For Zen Technologies Limited

M Satish Choudhury
Company Secretary
(M.No. ACS 30204)

Place : Hyderabad
Dated : 24 August 2017

Registered Office:

B-42, Industrial Estate,
Sanathnagar, Hyderabad -18
CIN: L72200TG1993PLC015939
Email: investors@zentechnologies.com
Website: www.zentechnologies.com
Tel: +91 40 23813281
Fax: +91 40 23813694



Annexure A

**Details of Directors seeking appointment /re-appointment at the Annual General Meeting
(Pursuant to Regulation 36 of SEBI (Listing obligations and disclosure Requirements) Regulations, 2015)**

Name of the Director	Mr Ashok Atluri	Ms Sridevi Madati	Mr Katragadda Rajesh
Date of Birth	31-12-1965	10-01-1977	22-08-1975
Date of Appointment	1-10-2007	29-05-2017	24-08-2017
Relationship with Directors	Not related to any Director	Not related to any Director	Not related to any Director
Expertise in specific functional Area	Being CMD of the Company since more than two decades, he has good knowledge of all functional and marketing areas. He has been instrumental in the growth of the Company over the years and key management decisions, having very good experience in the field of business and functional aspects of the Company. He has been instrumental in helping to design the simulators from the users prospective.	Practicing Company Secretary having experience of more than 12 years. She has varied experience in corporate sector, Secretarial, legal and financial matters.	His expertise in finance domain areas includes funds flow, cash credits, working capital management and understanding the key vitals on micro economics which effect the key functioning of the business.
Qualification	a) PG Diploma holder in Applied Computer Science b) Bachelor's degree in Commerce	a) Fellow member of Institute of Company Secretaries of India b) She has completed her MDBA (Masters Diploma in Business Administration) from Symbiosis Institute of Management Studies c) She has also done degree in LLB from Osmania University.	a) Master's degree in International Business, International Finance from IIFT b) Bachelor's degree in Commerce, Economics emphasis
@Board Membership of other companies	1. Version 2 Games Limited 2. Zentech Offsets Management Services Private Limited 3. Zen SkillProc Private Limited 4. Defence Innovators and Industry Association	NIL	1. Viceroy Hotels Limited 2. Athena Global Technologies Limited 3. Rich `N` Rich Finance And Holdings Limited 4. Bodhtree Consulting Limited 5. Quick Wrap (India) Private Limited

Name of the Director	Mr Ashok Atluri	Ms Sridevi Madati	Mr Katragadda Rajesh
			6. Silly Monks Entertainment Limited 7. Papercats Creative Solutions Private Limited 8. E-Way Lipids Private Limited
Chairman/ Member of the Committee of the Board of Directors	Audit, Nomination & Remuneration, Stakeholders Relationship Committees.	Audit , Stakeholders Relationship and CSR Committees	Audit, Nomination & Remuneration Committees
Chairman/ Member of the committee of Directors of other companies in which he is a director	NIL	NIL	4
a) Audit Committee	NIL	NIL	2
b) Stakeholders' Relationship Committee	NIL	NIL	1
c) Nomination and Remuneration Committee	NIL	NIL	1
Number of shares held in the Company	2,01,76,250	NIL	Nil

Note: @ - This does not include position in foreign companies, position as an advisory board member and position in companies under section 8 of Companies Act, 2013.