



ZEN TECHNOLOGIES LIMITED

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POSTAL BALLOT NOTICE

(Pursuant to the Provisions of Section 110 of the Companies Act, 2013 and Rules made thereunder)

Date: 9 August 2014

Dear Member(s),

Sub: Passing of Resolutions by Postal Ballot

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 to the Members of M/s Zen Technologies Limited that the resolutions set out below are proposed to be passed through Postal Ballot:

- (i) Sub-division of each equity share of ₹10/- into 10 equity shares of ₹1/- each fully paid-up
- (ii) Amendment to Clause V of the Memorandum of Association of the Company
- (iii) Alteration of Articles of Association of the Company
- (iv) Authorizing Board of Directors to borrow money in excess of aggregate paid-up share capital and free reserves of the Company upto ₹ 500 Crores as per Section 180(1)(c) of the Companies Act, 2013
- (v) Creation of Charge/ Mortgage / Hypothecation etc., on the assets of the Company upto ₹ 500 Crores as per Section 180(1)(a) of the Companies Act, 2013

The Company seeks the consent of the Members for the aforesaid proposals through Special or Ordinary Resolutions as specified herein below.

Accordingly, draft of the proposed Resolutions together with the explanatory statement setting out the material facts and reasons for the Resolutions appended below is being sent along with a Postal Ballot Form for your consideration.

The Company has appointed Mr Mahadev Tirunagari, Practicing Company Secretary as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer before the close of working hours i.e., 18.00 hours, on or before Wednesday, the 17 September 2014.

The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman of the Company. The result of the voting by postal ballot will be declared in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 on Thursday, the 18 September 2014 at the Registered Office of the Company. The result of postal ballot will also be posted on the Company's website www.zentechnologies.com and will be communicated to BSE Limited, where the equity shares of the Company are listed. The result of postal ballot shall also be announced through news paper advertisement.

E-Voting

The Company pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Clause 35B of the Equity Listing Agreement with the Stock Exchange is pleased to offer E-voting facility for the members to enable them to cast their votes electronically. Please carefully read and follow the instructions on e-voting printed in this Notice.

ITEM NO. 1:

Sub-division of each equity share of ₹10/- into 10 equity shares of ₹1/- each fully paid-up

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 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), and in accordance with Article 12 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any, required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”), consent of the Members be and is hereby accorded to sub-divide each Equity Share of the Company having Face value of ₹10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of ₹1/- (Rupee One only) each fully paid-up and consequently, the Authorized Share Capital of the Company of ₹20,00,00,000/- (Rupees Twenty Crores only) would comprise of 20,00,00,000 (Twenty Crores only) Equity Shares of ₹1/- (Rupee One only) each with effect from the “Record Date” to be determined by the Board for this purpose.

RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, each Equity Share of the Face value of ₹10/- (Rupees Ten only) as existing on the Record Date shall stand sub-divided into 10 (Ten) Equity Shares of the Face value of ₹1/- (Rupee One only) each fully paid-up, with effect from the Record Date.

RESOLVED FURTHER THAT on sub-division, the 10 (Ten) Equity Shares of the Face value of ₹1/- (Rupee One only) each be issued in lieu of one Equity Share of ₹10/- (Rupees Ten only) each, subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid Equity Shares of ₹10/- (Rupees Ten only) each of the Company and shall be entitled to dividend(s) to be declared after the sub-division of equity shares.

RESOLVED FURTHER THAT upon sub-division of Equity Shares of the Company as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of Face value of ₹10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and that no letter of allotment shall be issued to the allottees of the new Equity Shares of ₹1/- (Rupee One only) each on sub-division and the Company may, without requiring the surrender of existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu of such existing share certificate(s), within the period prescribed or that may be prescribed in this behalf, from time to time and in the case of shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares before sub-division.

RESOLVED FURTHER THAT the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary 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 such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.”

ITEM NO. 2:

Amendment to Clause V of the Memorandum 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 contained in Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), and subject to the approvals, consents, permissions and sanctions, if any, required from any authority, consent of the Members be and is hereby accorded to amend the existing Clause V of the Memorandum of Association of the Company by deletion of the existing Clause V and by substitution thereof by the following clause:

'V. The Authorized Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty crores only) divided into 20,00,00,000 (Twenty crores) Equity Shares of ₹1/- (Rupee One only) each with power to increase and reduce the Capital of the Company and to 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, conditions or restrictions, 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, conditions or restrictions in such manner as may for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.'

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company."

ITEM NO. 3:

Alteration of Articles of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendment or re-enactment thereof for the time being in force) and subject to the approvals, consents, permissions and sanctions, if any, required from any authority, consent of the Members be and is hereby accorded to alter the Articles of Association of the Company in the manner set out herein below:

1) The Existing Article No. 4 shall be altered and replaced with the following Article:

"4. The Authorised Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of ₹ 1/- (Rupee One only) each."

2) The following Article be inserted as Article No. 39A after existing Article No. 39:

"39A. A member may exercise his right to vote at a meeting by electronic means in accordance with Section 108 of the Companies Act 2013 and shall vote only once."

3) The Existing Article No. 66 shall be altered and replaced with the following Article:

"66. Subject to the provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and these Articles, the Board shall have power to appoint from time to time one or more of their body to the office of Managing Director or Manager or Whole-time Director(s) of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and on such remuneration (whether by way of salary and / or commission or partly in one and partly in another) with or without bonus and any other or all allowances as they may think fit and a Director so appointed shall, while holding that office, be subject to retirement by rotation or taken into account in determining the retirement of Directors by rotation and shall be reappointed as a Director at the same meeting, he or she shall not, by reason only of such vacation, cease to be a Managing Director or Manager or Whole-time Director and his or her appointment shall be subject to determination *ipso facto* if he or she ceases from any cause to be Director, or if the Company in general meeting resolves that his or her term of office of Managing Director or Manager or Whole-time Director be determined.

Provided that an individual can be appointed or reappointed or continue as Chairperson of the Company as well as Managing Director or Chief Executive Officer of the Company at the same time."

4) The following Article be inserted as Article No. 67A after existing Article No. 67:

"67A. The Director(s) of the Company may participate in the Meetings of the Board through Video Conference facility and / or any other permissible electronic or communication facility. Provided that such participation by the Director(s) at Meeting(s) of the Board through Video Conference facility and/or use of any other permissible electronic or communication facilities shall be subject to the rules, guidelines and permissions issued / laid down by the Regulatory / Statutory Authorities in this regard from time to time and meeting(s) so conducted and attended by the Directors in the prescribed manner shall be deemed to have been conducted and attended as if the same has been at a duly convened meeting of the Board".

ITEM NO. 4:

Authorizing Board of Directors to borrow money in excess of aggregate paid-up share capital and free reserves of the Company upto ₹ 500 Crores as per Section 180(1)(c) of the Companies Act, 2013

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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), and subject to the approvals, consents, permissions and sanctions, if any, required from any authority, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow for and on behalf of the Company from time to time as they may consider fit, any sum or sums of money, on such terms and conditions as the Board may deem fit, in any manner in the form of either fund based or non-fund based facilities or otherwise in Indian Rupees or any other foreign currency as may be required for the purpose of business of the Company from one or more bank(s), financial institution(s) or other body(ies) corporate(s), other entity(ies), firms(s), person(s), whether in India or abroad, notwithstanding that the monies to be borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans and credit obtained or to be obtained from the Company's bankers in the ordinary course of business) may at any time exceed the aggregate of the paid-up share capital of the Company and its free reserves (reserves not set apart for any specific purpose) provided however that, the total amount so borrowed by the Board of Directors and outstanding at any point of time, shall not at any time exceed, in the aggregate, the sum of ₹ 500 Crores (Rupees Five Hundred Crores only) including foreign currency in equivalent rupees."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time including as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

ITEM NO. 5:

Creation of Charge/ Mortgage / Hypothecation etc., on the assets of the Company upto ₹ 500 Crores as per Section 180(1)(a) of the Companies Act, 2013

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 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder, (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), and subject to the approvals, consents, permissions and sanctions, if any, required from any authority, the consent of the Company be and is hereby accorded to the Board of Directors to create charge /mortgage/ hypothecate in addition to the, charge/ mortgage/ hypothecation already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings, whether immovable and /or movable properties of the Company, both present and future and /or any other assets or properties, either tangible or intangible, of the Company as may be agreed to in favour of the bank(s), financial institution(s) or other body(ies) corporate(s), other entity(ies), firms(s), person(s)etc. in India or abroad, hereinafter referred to as the lender(s), and/or trustees to secure the borrowings availed or to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, together with interest at the respective agreed rates from time to time, additional interest, compound interest, liquidated charges, commitment charges or costs, charges, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange in respect of the said Loans, shall not, at any time exceed ₹ 500 Crores (Rupees Five Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creation of mortgage / charge / hypothecation as aforesaid."

Place : Hyderabad
Date : 9 August 2014

By Order of the Board
For **Zen Technologies Limited**

M Amala
Company Secretary

NOTES

1. Voting period commences on and from Tuesday, the 19 August 2014 at 10.00 hours and ends on close of working hours i.e., 18.00 hours, Wednesday, the 17 September 2014.
2. The Explanatory Statement for the proposed resolutions mentioned above pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed to the Notice.
3. The Notice is being sent to all the members by Registered Post (and electronically by email to those members who have registered their email id with the Company), whose names appear in the Register of Members / Record of Depositories as on Monday, the 11 August 2014.
4. The Board of Directors of the Company, at its Meeting held on 9 August 2014, has appointed Mr Mahadev Tirunagari, Practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The Postal Ballot Form and the Self-addressed postage prepaid envelope are enclosed for use by the members.
5. **Voting in Electronic Form (E-voting):**

In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Equity Listing Agreement with the Stock Exchange, the Company is pleased to offer E-voting facility for all its members to enable them to cast their votes electronically. For the purpose of E-voting, the Company has signed an agreement with Karvy Computershare Private Limited (Karvy) for facilitating E-voting. E-voting is optional.

a) The procedure and instructions for e-voting are as follows:

(i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'

(ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- EVEN No. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) Please contact our Toll free No. 1-800-34-54-001 for any further clarifications.
- (iv) After entering these details appropriately, click on "LOGIN".
- (v) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through M/s Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials.
- (vii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- (viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your existing login id and password are to be used.
- (ix) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number 'FOR/AGAINST' taken together should not exceed your total shareholding.
- (x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote subsequently.
- (xii) Corporate/Institutional Members (corporate/FIs/Flls/Trust/Mutual Funds/Banks, etc) are required to send the relevant Board resolution (PDF format) to the Scrutinizer through e-mail: mahadev.pcs@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- (xiii) Members can cast their vote online from 10.00 hours, Tuesday, the 19 August 2014 till 18.00 hours, Wednesday the 17 September, 2014.

b) Members who have registered their e-mail 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. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the Company's website www.zentechnologies.com or seek duplicate Postal Ballot Form from Karvy Computershare Private Limited, Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081, Telangana, fill in the requisite details and send the same to the Scrutinizer on or before Wednesday, the 17 September 2014 till 18.00 hours.

c) **In case of Members' receiving Postal Ballot Form by Post:**

Please follow the instruction mentioned in the Postal Ballot Form to cast your vote in Physical Postal Ballot mode.

6. **Members have option to vote either through E-voting or through the Postal ballot Form. If a member has opted for E-voting, then he/she should not vote by Postal Ballot also and vice-versa. However, in case members cast their vote both via physical ballot and E-voting, then voting done by E-voting shall prevail and voting through physical ballot shall be treated as invalid.**
7. Member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. The self addressed envelope bears the address of the Scrutinizer. Postage will be borne and paid by the Company. However, the envelope containing the Postal Ballot Form, if sent by courier at the expense of the shareholder, will also be accepted.
8. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on Monday, 11 August 2014.
9. The voting period ends at 18.00 hours, Wednesday the 17 September 2014. Assent/Dissent received after 17 September 2014 would be strictly treated as if reply from the shareholder has not been received.
10. In the event, the draft resolutions are assented to by the requisite majority of Shareholders by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolutions.
11. All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays till the conclusion of the Postal Ballot from the date of dispatch of Notice.

ITEM NO.1 &2

The Equity Shares of the Company are listed on the BSE Limited (BSE). With a view to broad base the investor base by encouraging the participation of the small investors and also to increase the liquidity of equity shares of the Company, the Board of Directors at its meeting held on 9 August 2014 have approved the sub-division of each equity share of face value of ₹ 10/- (Rupees Ten only) of the Company into 10 (Ten) equity shares of face value ₹ 1/- (Rupee One only) each, subject to your approval.

Accordingly, each issued equity share of nominal value ₹ 10/- (Rupees Ten only) of the Company existing on the Record Date shall stand sub-divided into 10 (Ten) equity shares of nominal value ₹ 1/- (Rupee one only) each.

The Record Date for the aforesaid sub-division of the equity shares will be fixed by the Board of Directors after the approval of the Members.

At present, the Authorized Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) Equity Shares of ₹ 10/- (Rupees Ten only) each. The Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 7,71,60,060/- (Rupees Seven Crores Seventy One Lakhs Sixty Thousand and Sixty only) divided into 77,16,006 (Seventy Seven Lakhs Sixteen Thousand and Six) Equity Shares of ₹ 10/- (Rupees Ten only) each.

The proposed sub-division of equity shares of the Company from ₹ 10/- (Rupees Ten only) per equity share to ₹ 1/- (Rupee One only) per equity share, requires amendment to the Memorandum of Association of the Company. Accordingly, Clause V of the Memorandum of Association is proposed to be altered in the manner set out in the Resolution at Item No. 2, to reflect the alteration in the authorized share capital of the Company, i.e., from ₹ 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) Equity Shares of ₹ 10/- (Rupees Ten only) each to 20,00,00,000 (Twenty Crores) Equity Shares of ₹ 1/- (Rupee One only) each.

Accordingly, the Board seeks approval of the Members for Resolutions at Item Nos. 1 and 2 for the proposed sub-division of each Equity Share of nominal value of ₹ 10/- (Rupees Ten only) of the Company into 10 (Ten) Equity Shares of ₹ 1/- (Rupee One only) each and the consequent amendments to Clause V of the Memorandum of Association of the Company.

The Board is of the opinion that the aforesaid sub-division of the nominal value of equity shares is in the best interest of the members and hence commends passing of the Resolutions at Items Nos. 1 and 2.

A copy of the Memorandum of Association of the Company along with the proposed amendments is available for inspection by the members at the Registered Office of the Company during working hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays till the conclusion of the Postal Ballot from the date of dispatch of the Notice.

The Directors, the Key Managerial Personnel and their relatives are deemed to be concerned or interested in the resolutions at Item Nos. 1 and 2 only to the extent of shares held by them, if any, in the Company. The proposed Resolutions do not relate to or affect any other Company.

Your approval is sought by voting through Postal Ballot or through e-voting, as the case may be, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 for passing the Resolutions under Item No. 1 and 2 as set out in this Notice.

ITEM NO. 3

Article 4:

Consequent to the sub-division of each equity share of ₹ 10/- (Rupees Ten Only) into 10(Ten) Equity Shares of ₹ 1/- (Rupee One Only) each, the existing Article 4 of Articles of Association of the Company is proposed to be altered.

Article 39:

Section 108 of Companies Act, 2013 provides that a member may exercise his right to vote through electronic means. In order to provide such facility to the members of the Company, the new Article 39A is being inserted in Articles of Association of your Company.

Article 66:

The Article 66 of Articles of Association of Company contains provisions for appointment of Managing Director, Whole-Time Director or Manager of the Company. As per the provisions of the Companies Act, 2013, at every AGM, one-third of such of the Directors for the time being are liable to retire by rotation, or if their number is neither three nor a multiple of three, then the number nearest to one-third, shall retire from office. The said Act also provides that the provisions of retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

To comply with the requirement of the Companies Act, 2013, it is proposed to amend Article 66 so as to enable the office of Managing Director and or Manager or Whole-time Director(s) liable to determination by retirement of Directors by rotation.

Further, the Companies Act, 2013 provides that an individual shall not be appointed or reappointed as Chairperson and Managing Director or Chief Executive Officer at the same time unless the articles of the Company provide otherwise or where the Company is not engaged in multiple businesses.

Presently, the Company is not engaged in the multiple businesses activities and hence it can continue to have an individual as Chairperson as well as Managing Director or Chief Executive Officer of the Company at the same time.

However, it is proposed to amend Article 66 so as to enable to Company to avail any new business opportunity that may occur in future without disturbing the Management Structure of the Company.

Article 67:

Section 173 of Companies Act, 2013 and rules made thereunder have recognized video conferencing and other audio visual means as the mode of participation in the Board Meeting excluding such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means. The rules further provides that the notice of the meeting shall inform directors regarding the option available to them to participate through video conferencing mode or other audio visual means, and shall provide all the necessary information to enable the Directors to participate through video conferencing mode or other audio visual means. In order to recognize such mode of attending the meeting of Board, the new Article 67A is being inserted in Articles of Association of your Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the said resolution. The proposed Resolutions does not relate to or affect any other company.

Your approval is sought by voting through Postal Ballot or through e-voting, as the case may be, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 for passing the Resolution under Item No. 3 as set out in this Notice.

ITEM NO. 4 & 5

Section 180(1)(c) of the Companies Act, 2013 provides that the Board of Directors of the Company shall only with the consent of the members by a Special Resolution, borrow money where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business.

In view of increased scope of operations and R&D activities, approval of the members by way of Special Resolution is sought under Section 180(1)(c) of the Companies Act, 2013 to enable the Board to borrow money for an aggregate amount upto ₹ 500 Crores (Rupees Five Hundred Crores Only).

To secure the borrowings availed or to be availed by the Company, for an aggregate amount upto ₹ 500 Crores (Rupees Five Hundred Crores Only), the Board needs authorization for creation of securities by suitable mortgage/ charge/ hypothecation on all or some of the immovable and movable properties of the Company, both present and future in favour of the lenders / trustees as per the provisions of Section 180(1)(a) of the Companies Act, 2013. The mortgage / charge / hypothecation on all or any of the movable and/or immovable properties of the Company may be deemed as disposal of the whole or substantially the whole of the undertaking of the Company, hence requires the approval from the members of the Company by way of a Special Resolution.

Therefore, it is proposed to pass the Special Resolution authorising the Board to create charge on the movable or immovable properties of the Company for an aggregate amount upto ₹ 500 Crores (Rupees Five Hundred Crores Only).

Your Directors recommend the resolutions as set out under Item Nos. 4 and 5 in this Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested in the said resolutions. The proposed Resolutions does not relate to or affect any other company.

Your approval is sought by voting through Postal Ballot or through e-voting as the case may be, pursuant to the provision of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 for passing the Resolutions under Item No. 4 and 5 as set in this Notice.

Place : Hyderabad
Date : 9 August 2014

By Order of the Board
For **Zen Technologies Limited**

M Amala
Company Secretary



ZEN TECHNOLOGIES LIMITED

Regd. Office: B-42, Industrial Estate, Sanathnagar, Hyderabad – 500018

CIN: L72200TG1993PLC015939

Ph: +91 40 23813281, Fax: +91 40 23813694

Email: info@zentechnologies.com; Website: www.zentechnologies.com

POSTAL BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

Serial No:

1. Name and registered address of the sole/first
named Member :

2. Name(s) of joint member(s), if any :

3. Registered Folio No. / DP ID No. / Client ID No.* :
(* Applicable to investors holding Shares
in dematerialized form)

4. Number of equity shares held :

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through postal ballot for the business stated in the Postal Ballot Notice of the Company by sending my / our assent (FOR) or dissent (AGAINST) to the said Resolution(s) by placing the tick (v) mark at the appropriate box below:

Resolution No.	Description and Type of Resolution	Number of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Sub-division of each equity share of ₹10/- into 10 equity shares of ₹1/- each fully paid-up – Ordinary Resolution			
2	Amendment to Clause V of the Memorandum of Association of the Company – Special Resolution			
3	Alteration of Articles of Association of the Company - Special Resolution			
4	Authorizing Board of Directors to borrow money in excess of aggregate paid-up share capital and free reserves of the Company upto ₹ 500 Crores as per Section 180(1)(c) of the Companies Act, 2013 - Special Resolution			
5	Authorizing Board of Directors to create charge/ mortgage / hypothecation on the assets of the Company upto ₹ 500 Crores as per Section 180(1)(a) of the Companies Act, 2013 - Special Resolution			

Place:

Date:

(Signature of the Member)

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	User ID	Password /PIN

Notes:

- 1) Please read the instructions printed overleaf carefully before completing this form.
- 2) For e-voting, please refer the instructions under "Voting in Electronic Form (E-voting)" in the Postal Ballot Notice attached herewith.

INSTRUCTIONS

1. A member desiring to exercise voting right by physical postal ballot may complete this Postal Ballot Form in all respects and send it to the Scrutinizer, Mr Mahadev Tirunagari, Practicing Company Secretary in the attached self-addressed postage prepaid envelope. However, envelopes containing Postal Ballot Forms, if deposited in person or sent by courier at the expense of the members will also be accepted.
2. The self-addressed business reply envelope bears the address of the Scrutinizer.
3. This form should be completed and signed by the sole/first named member. In case of joint holding, the form should be completed and signed by the first named member and in his/her absence by the next named member. The signature of the member on this Postal Ballot Form should be as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialized form, respectively.
4. In case shares are held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by certified true copy of the Board Resolution / Authority together with attested specimen signatures of the duly authorized signatory (ies).
5. Members are requested not to send any other papers along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope. If any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
6. A tick (v) mark should be placed in the appropriate column signifying assent / dissent for each of the Resolution, as the case may be, before mailing the Postal Ballot Form.
7. There will be only one Postal Ballot Form for every folio irrespective of the number of joint Member(s). The photocopy of the Postal Ballot Form will not be considered valid.
8. Members are entitled to cast their votes differently i.e. all the votes either in favour or against or partly in favour or against.
9. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (18.00 hours) on Wednesday, the 17 September 2014. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
10. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the Company's website www.zentechnologies.com or seek duplicate Postal Ballot Form from Karvy Computershare Private Limited, Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081, Telangana, India, fill in the requisite details and send the same to the Scrutinizer on or before Wednesday, the 17 September 2014 till 18.00 hours.
11. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the members on the cut-off date i.e., Monday, the 11 August 2014.
12. Postal Ballot cannot be exercised by a Proxy.
13. Votes will be considered invalid on the following grounds:
 - i) If the member's signature does not tally.
 - ii) If the member has marked all his shares both in favour and also against the resolutions.
 - iii) If the Ballot paper is unsigned, incomplete or incorrect.
 - iv) If the Ballot paper is filled in pencil or signed in pencil.
 - v) If the Ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or one or more of the above grounds.
14. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final.
15. All the documents referred to in the accompanying Notice and explanatory statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays between 11.00 a.m. to 1.00 p.m till the conclusion of the Postal Ballot from the date of dispatch of Notice.
16. Contact details: - Registrar and Share Transfer Agents Hyderabad office:- M/s. Karvy Computershare Pvt. Ltd., Unit: Zen Technologies Limited, Plot No. 17-24, Vithal Rao Nagar Madhapur, Hyderabad-500081, E-mail id: einward.ris@karvy.com Ph. no.: 040-44655000.