

MINUTES OF THE 22nd ANNUAL GENERAL MEETING OF ZEN TECHNOLOGIES LIMITED HELD ON SATURDAY THE 26 SEPTEMBER 2015 AT THE REGISTERED OFFICE OF THE COMPANY AT B-42, INDUSTRIAL ESTATE, SANATHNAGAR, HYDERABAD – 500 018, TELANGANA

Time of commencement of Meeting: 9.30 a.m.

Time of conclusion of Meeting: 11.00 a.m.

Directors Present:

Mr Ashok Atluri	Chairman and Managing Director
Mr G Prasad	Independent Director (Chairman of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee)
Mr Venkat Samir Kumar Oruganti	Independent Director
Mrs M Sridevi	Independent Director

In Attendance

Ms M Amala, Company Secretary

Auditors

Mr Chandra Shekhar Gokhale, M/s Gokhale & Co., Statutory Auditors

Mr Mahadev Tirunagari, Secretarial Auditor

Presence of Quorum:

Number of Members present in person: 29

Number of Members present through authorized representatives: 2

Number of proxies received: NIL

Ms M Amala, Company Secretary welcomed the Members, Directors and Auditors of the Company to the 22nd Annual General Meeting of the Company and invited the Directors and Statutory Auditors of the Company to occupy their seats on the dais.

The Company Secretary informed that the Register of Directors and Key Managerial Personnel and their shareholding and all relevant documents, the Auditor's Report and Secretarial Audit Report, as prescribed under the Companies Act, 2013 were available for inspection and later requested Mr Ashok Atluri, Chairman and Managing Director to preside over the Chair and conduct the proceedings of the meeting.

Mr Ashok Atluri, Chairman of the meeting extended warm welcome to all the Members, Directors, Auditors and Guests to the 22nd Annual General Meeting of the Company.

The Chairman after ascertaining the requisite quorum declared that the required quorum for the meeting was present and commenced the proceedings of the meeting. The Chairman presented a power point presentation and briefed the members' highlights of the year 2014-15, Zen's Business Model, Creating Value – From Customer's view, Expectations from Government, Design, Develop and Make In India, Zen's Competitive Advantages, Zen's Growth, Strategic Alliance, Risks and Concerns, Next Steps, opportunities and performance of the Company.

The Chairman informed the Members that the Company would focus on various opportunities including Combat Training Centres, Offsets, Exports, Aviation Simulators and indigenously designing, developing and manufacturing products. He estimated the total opportunity size for existing simulators to be more than Rs 7,000 crores.



The Chairman further informed that several opportunities worth Rs 500 crores are in advanced stage, outcome of which would be known in the coming months.

Thereafter, the Chairman invited the members to express their views, comments and questions on the financial statements and operations of the Company before proceeding with the business as per the agenda of the Notice of the Meeting.

The Members present in the Meeting actively participated in the discussion and raised queries. The Chairman suitably answered the queries and thanked all the Members for their general and keen concern for all round improvements.

The Company Secretary stated that the 22nd Annual Report is with the Members for quite some time and with the permission of the Members, the notice of the meeting, Directors' Report and Auditors' Report shall be taken as read.

The Chairman informed that the Auditors' Report on Standalone and Consolidated Financial Statements were circulated to the Members, which forms part of the Annual Report. The Chairman requested the Company Secretary to read out the Auditors' Report to the Members. With the permission of the Members the same was taken as read.

The Company Secretary stated that in accordance with the provisions of the Companies Act, 2013 and the Rules made there under, and the Listing Agreement entered with the Stock Exchanges, the Company has provided Remote E-Voting facility to its Members to cast their vote electronically on the resolutions proposed to be passed at the Annual General Meeting. Remote E-voting commenced from 22 September 2015 at 10.00 a.m. and ended on 25 September 2015 at 5.00 p.m. Mr Mahadev Tirunagari, Practicing Company Secretary was appointed as the Scrutinizer for conducting the Remote E-voting and Ballot process in a fair and transparent manner.

Further, the Company Secretary informed that Members who were present at the Meeting and have not voted earlier through Remote E-voting were given an opportunity to vote at the Meeting and that the Ballot Papers were already distributed to all the Members at the entrance and that they were requested to cast their vote and put the Ballot paper in the Ballot Box. It was also informed that if Members have voted earlier by Remote E-voting they will not be eligible for ballot voting. If such Member casts vote, voting done through Remote E-voting shall prevail and votes cast by Ballot at the Meeting shall be treated as invalid.

The Company Secretary then requested the Chairman of the Meeting to order for ballot voting.

The Chairman thereafter with the assistance of the Scrutinizer ordered voting through ballot paper for all the members who were present at the meeting but have not cast their votes electronically using the remote e-voting facility.

The following ordinary and special business was transacted at the meeting:

ORDINARY BUSINESS:

Item No. 1: Adoption of the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2015 including Audited Balance Sheet as at 31 March 2015, 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 Directors' and Auditors' thereon.



"RESOLVED THAT the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2015 including Audited Balance Sheet as at 31 March 2015, 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 Directors' and Auditors' thereon be and are hereby received, considered and adopted."

Item No. 2: Declaration of Dividend for the financial year ended 31 March 2015.

"RESOLVED THAT pursuant to the recommendations of the Board of Directors, a dividend at the rate of Rs 0.35 (35%) on the paid-up value of each equity share of Rs 1.00 each of the Company be and is hereby declared and the same be paid to those shareholders whose names appear on the Register of Members and to the beneficial holders as per the beneficiary list provided by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 21 September 2015."

Item No. 3: Re-appointment of Mr Ashok Atluri (DIN: 00056050), Director retiring by rotation.

"RESOLVED THAT Mr Ashok Atluri (DIN: 00056050) be and is hereby reappointed as Director, liable to retire by rotation."

Item No. 4: Ratification of appointment of M/s Gokhale & Co., Chartered Accountants, Hyderabad (ICAI Firm Registration Number: 000942S) as Statutory Auditors of the Company.

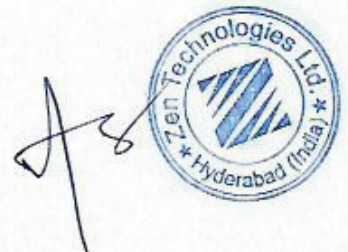
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee and the Board of Directors and pursuant to the approval of the Members at the 21st Annual General Meeting, the Company hereby ratifies the appointment of M/s Gokhale & Co., Chartered Accountants, Hyderabad, Firm Regn. No. 000942S as Statutory Auditors of the Company to hold office until the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2017, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS:

Item No. 5: Appointment of Mr Venkat Samir Kumar Oruganti (DIN: 06699271) as an Independent Director - 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 Clause 49 of the Listing Agreement, as amended from time to time, the consent of members of the Company be and is hereby accorded to appoint Mr Venkat Samir Kumar Oruganti (DIN: 06699271), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 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, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (Three) consecutive years i.e., from 14 August 2015 to 13 August 2018, not liable to retire by rotation."

Item No. 6: Revision in the remuneration payable to Mr Kishore Dutt Atluri, President of the Company, relative of Chairman and Managing Director, holding office or place of profit - Ordinary Resolution



"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), Rules and Regulations framed thereunder, consent of the Company be and is hereby accorded for revision in remuneration payable to Mr Kishore Dutt Atluri, brother of Mr Ashok Atluri, Chairman and Managing Director of the Company, to hold and continue to hold office or place of profit as President of the Company for a period of five years with effect from 1 October 2015 on the following terms and conditions and remuneration, as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company:

1. **Basic Salary** – Rs 1,78,000/- (Rupees One Lakh Seventy Eight Thousand only) per month
2. **House Rent Allowance (HRA)** – At the rate of 40% of Basic Salary – Rs 71,200 (Rupees Seventy One Thousand Two Hundred only) per month
3. **Incentive** – @1% based on Net Sales of the Company for each financial year
4. **Other Perquisites and Allowances** – In addition to the prescribed Basic Salary, HRA and Incentive, Mr Kishore Dutt Atluri will also be entitled to the following perquisites and allowances restricted to a maximum amount of Rs 6,00,000 (Rupees Six Lakhs) per annum:
 - i. **Mediclaime Policy Premium:** As provided by the Company group mediclaime policy
 - ii. **Club Fee:** Fee of clubs subject to maximum of two clubs. This will not include admission and life membership fees.
 - iii. **Personal Accident Insurance:** As per the Company's policy.
 - iv. **Gratuity:** At the rate not exceeding half a month's salary for each completed year of service.
 - v. **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.
 - vi. **Communication facilities:** The Company will provide all communication facilities like Telephone /Internet /Mobiles /Fax at residence of Mr Kishore Dutt Atluri and will pay the bills on actual basis.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to alter or vary the terms relating to the payment of remuneration as it may deem fit in the interest of the Company and to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation to finalizing and executing any agreement, deeds and such other documents as may be necessary and to delegate all or any of the powers vested or conferred herein to any Director(s) or Officer(s) of the Company as may be required to give effect to this resolution."

The Company Secretary informed the Members that the Results of voting i.e., Remote E-voting and ballot voting (poll), along with the Scrutinizer Report will be placed on the Company's website and on the website of Karvy after the result is declared by the Chairman and the same will also be communicated to the Stock Exchanges.

The resolutions, if passed, shall be considered as passed effective on 26 September 2015.

There being no other business to transact, the meeting was concluded with a vote of thanks to the Chairman of the meeting, Directors, Auditors, Shareholders, Customers, Suppliers, Dealers,



Bankers, Financial Institutions, State and Central Government Authorities, Registrar and Share Transfer Agents, Consultants and Employees and the Chairman declared the 22nd Annual General Meeting as concluded.

Note: It is to be noted that the Voting Results of remote e-voting and poll was declared on 28 September 2015 and the same was placed on the Company's website and on the website of Karvy and was also submitted to the Stock Exchanges, the results of voting and summary of the scrutinizer's report is provided hereunder:

VOTING RESULTS FOR THE 22nd ANNUAL GENERAL MEETING HELD ON 26 SEPTEMBER 2015

Date of the Annual General Meeting:		26 September 2015			
Book Closure Date		22 September 2015 to 26 September 2015 (Both days inclusive)			
Total number of shareholders on record date:		6,626			
No. of shareholders present in the meeting either in person or through proxy:		31			
Shareholders	Present in Person	Present through Proxy / Authorization	Total	Shares	% to capital
Promoters and Promoter Group:	2	0	2	1,81,61,400	23.54
Public:	27	2	29	43,46,265	5.63
Total	29	2	31	2,25,07,665	29.17
No. of Shareholders attended the meeting through Video Conferencing: (Video conferencing facility was not arranged)		Promoters and Promoter Group:		Nil	
		Public:		Nil	

The mode of voting for all Ordinary Resolutions was:

1. Remote E-voting conducted from 22 September 2015 (10.00 a.m.) to 25 September 2015 (5.00p.m.)
2. Poll conducted at the Meeting

Agenda-wise:

Item No.1: Adoption of the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2015 including Audited Balance Sheet as at 31 March 2015, 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 Directors' and Auditors' thereon.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	45,865,340	3,05,21,840	66.5466	3,05,21,840	0	100.0000	0.0000
Public - Institutional holders	7,27,301	0	0.0000	0	0	0.0000	0.0000
Public-Others	30,567,419	41,59,278	13.6069	41,57,778	1500	99.9639	0.0361
Total	77,160,060	3,46,81,118	44.9470	3,46,79,618	1,500	99.9957	0.0043

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Item No.2: Declaration of Dividend for the financial year ended 31 March 2015.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	45,865,340	3,05,21,840	66.5466	3,05,21,840	0	100.0000	0.0000
Public - Institutional holders	7,27,301	0	0.0000	0	0	0.0000	0.0000
Public-Others	30,567,419	41,59,278	13.6069	41,59,278	0	100.0000	0.0000
Total	77,160,060	3,46,81,118	44.9470	3,46,81,118	0	100.0000	0.0000

Item No.3: Appointment of Mr Ashok Atluri (DIN: 00056050), Director retiring by rotation.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	45,865,340	3,05,21,840	66.5466	3,05,21,840	0	100.0000	0.0000
Public - Institutional holders	7,27,301	0	0.0000	0	0	0.0000	0.0000
Public-Others	30,567,419	41,59,278	13.6069	41,57,778	1,500	99.9639	0.0361
Total	77,160,060	3,46,81,118	44.9470	3,46,79,618	1,500	99.9957	0.0043

Item No.4: Ratification of appointment of M/s Gokhale & Co., Chartered Accountants, Hyderabad (ICAI Firm Registration Number: 000942S) as Statutory Auditors of the Company.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	45,865,340	3,05,21,840	66.5466	3,05,21,840	0	100.0000	0.0000
Public - Institutional holders	7,27,301	0	0.0000	0	0	0.0000	0.0000
Public-Others	30,567,419	41,59,278	13.6069	41,59,278	0	100.0000	0.0000
Total	77,160,060	3,46,81,118	44.9470	3,46,81,118	0	100.0000	0.0000

Item No.5: Appointment of Mr Venkat Samir Kumar Oruganti (DIN: 06699271) as an Independent Director.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	45,865,340	3,05,21,840	66.5466	3,05,21,840	0	100.0000	0.0000
Public - Institutional holders	7,27,301	0	0.0000	0	0	0.0000	0.0000
Public-Others	30,567,419	41,59,278	13.6069	41,57,778	1,500	99.9639	0.0361
Total	77,160,060	3,46,81,118	44.9470	3,46,79,618	1,500	99.9957	0.0043

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Item No.6: Revision in the remuneration payable to Mr Kishore Dutt Atluri, President of the Company, relative of Chairman and Managing Director, holding office or place of profit.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	45,865,340	71,840	0.1566	71,840	0	100.0000	0.0000
Public – Institutional holders	7,27,301	0	0.0000	0	0	0.0000	0.0000
Public-Others	30,567,419	41,59,278	13.6069	41,57,778	1,500	99.9639	0.0361
Total	77,160,060	42,31,118	5.4836	42,29,618	1,500	99.9645	0.0355

Note: % of votes in 'favour' and 'against' are calculated on the basis of valid votes

Accordingly, all the Ordinary Resolutions proposed in notice of 22nd Annual General Meeting of the Members of the Company held on Saturday the 26 September 2015 were passed and approved by the Members with requisite majority.

SUMMARY OF THE SCRUTINIZER'S REPORT:

S. No	Ordinary Resolution	% of votes in favour	% of votes against	Result
1	Adoption of the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2015 including Audited Balance Sheet as at 31 March 2015, 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 Directors' and Auditors' thereon.	100	Negligible	Passed with requisite majority as an ordinary resolution
2	Declaration of Dividend for the financial year ended 31 March 2015.	100	-	Passed unanimously as an ordinary resolution
3	Appointment of Mr Ashok Atluri (DIN: 00056050), Director retiring by rotation.	100	Negligible	Passed with requisite majority as an ordinary resolution
4	Ratification of appointment of M/s Gokhale & Co., Chartered Accountants, Hyderabad (ICAI Firm Registration Number: 0009425) as Statutory Auditors of the Company.	100	-	Passed unanimously as an ordinary resolution
5	Appointment of Mr Venkat Samir Kumar Oruganti (DIN: 06699271) as an Independent Director.	100	Negligible	Passed with requisite majority as an ordinary resolution
6	Revision in the remuneration payable to Mr Kishore Dutt Atluri, President of the Company, relative of Chairman and Managing Director, holding office or place of profit.	99.97	0.03	Passed with requisite majority as an ordinary resolution

Ashok
Chairman of the Meeting
Ashok Atluri
(DIN: 00056050)



Place: Hyderabad
Date: 1 October 2015