ZICOM

Feel Safe

February 18, 2017

The Secretary / Corporate Relationship Dept.
The Bombay Stock Exchange Limited.
P.J. Towers,
Dalal Street, Fort,
Mumbai 400001.

Stock Code: 531404

The Manager
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051.

Stock Code: ZICOM

Ref: ISIN INE 871B01014

Dear Sir / Madam,

Sub: Submission of Proceedings of Postal Ballot
Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the captioned subject, we enclose herewith the proceedings of Postal Ballot for your reference and record.

Kindly take above on record and acknowledge.

Thanking you,

Yours faithfully,
For **Zicom Electronic Security Systems Limited**

K. Trivedi

Kunjan Trivedi
Company Secretary

Encl: as above

HELD AT Registered Office ON 08/02/2017 TIME 3.30 p.m.

MINUTES OF THE PROCEEDINGS OF DECLARATION OF RESULTS OF POSTAL BALLOT BY THE SHAREHOLDERS OF ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED ON WEDNESDAY, FEBRUARY 8, 2017 AT 501, SILVER METROPOLIS, WESTERN EXPRESS HIGHWAY, GOREGAON EAST, MUMBAI 400063 COMMENCED AT 3.30 P.M. AND CONCLUDED AT 4:00 P.M. (DEEMED DATE OF PASSING THE RESOLUTIONS IS FEBRUARY 6, 2017 I.E. THE LAST DATE OF VOTING THROUGH POSTAL BALLOT AND E-VOTING)

PRESENT:
Mr. Manohar Bidaye, Chairman and Member
Mr. Pramoud Rao, Managing Director and Member

SCRUTINIZER:
Ms. Purvi Vasha, Scrutinizer for the Postal Ballot

INVITEE:
Mr. Hemendra Paliwal, Chief Financial Officer

IN ATTENDANCE:
Ms. Kunjan Trivedi, Company Secretary

The Chairman stated that the Company had, on January 7, 2017, dispatched to all the Members, whose names appear in the Register of Members / List of Beneficial Owners as on December 30, 2016, a Postal Ballot Notice dated December 30, 2016, under Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 for obtaining consent of the Shareholders for the Special Resolutions as set out under Item Nos. 1 to 3 in the said Postal Ballot Notice.

As required under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with Section 108 of the Companies Act and the Rule 20 of the Rules, the Company had provided e-voting facility to the Members of the Company and in this regard, had engaged the services of Central Depository Services Limited ("CDSL").

The Chairman further stated that as mentioned in the said Postal Ballot Notice, Members had the option either to vote through the e-voting process or through the Postal Ballot Form. Accordingly, the Postal Ballot Forms along with self-addressed postage prepaid envelope were sent to the Members. The Members were requested to return the duly completed and signed Postal Ballot Form, to reach the Scrutinizer not later 5:00 p.m. on February 6, 2017. In case of electronic voting, Members were requested to cast their votes electronically upto 5:00 p.m. of February 6, 2017.

The Company had appointed Ms. Purvi Vasha, Practicing Company Secretary (Membership No. 17123), to act as the Scrutinizer, for conducting the Postal Ballot process in a fair and transparent manner and to submit report to the Chairman after completion of the scrutiny.

The Chairman thereafter stated that the Scrutinizer, Ms. Purvi Vasha, had carried out scrutiny of all the Postal Ballot Forms received physically and votes polled electronically upto 5:00 p.m. on February 6, 2017 and submitted her report dated February 7, 2017, to the Chairman.

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HELD AT Registered office ON 08/02/2017 TIME 3.30 p.m.

The Chairman then announced the following Results of the Postal Ballot based on the Scrutinizer's Report:

Item No. 1: Special Resolution for Increase in Authorized Share Capital of the Company and Alteration of Capital Clause in the Memorandum and Articles of Association of the Company:

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution				No				
Category	Mode of Voting	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	E-Voting	4237523	4237523	100.00	4237523	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**4237523**	**4237523**	**100.00**	**4237523**	**0**	**100.00**	**0.00**
Public - Institutions	E-Voting	252396	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**252396**	**0**	**0.00**	**0**	**0**	**0.00**	**0.00**
Public – Non Institutions	E-Voting	15709910	11669	0.07	7819	3850	67.01	32.99
	Postal Ballot		1712821	10.90	1712302	2	99.97	0.00
	Total	**15709910**	**1724490**	**10.98**	**1720121**	**3852**	**99.75**	**0.22**
Total		**20199829**	**5962013**	**29.52**	**5957644**	**3852**	**99.93**	**0.06**

Item No. 2: Special Resolution for Conversion of Debt into Equity Shares of the Company:

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution				No				
Category	Mode of Voting	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	E-Voting	4237523	4237523	100.00	4237523	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**4237523**	**4237523**	**100.00**	**4237523**	**0**	**100.00**	**0.00**
Public - Institutions	E-Voting	252396	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**252396**	**0**	**0.00**	**0**	**0**	**0.00**	**0.00**
Public – Non Institutions	E-Voting	15709910	11669	0.07	7719	3950	66.15	33.85
	Postal Ballot		1712821	10.90	1712302	2	99.97	0.00
	Total	**15709910**	**1724490**	**10.98**	**1720021**	**3952**	**99.74**	**0.23**
Total		**20199829**	**5962013**	**29.52**	**5957544**	**3952**	**99.93**	**0.07**

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Item No. 3: Special Resolution for re-appointment of Mr. Pramoud Rao (DIN: 00010743) as Managing Director of the Company for a period of five years effective from March 1, 2017 till February 28, 2022, including the terms of his remuneration for a period of three years effective from March 1, 2017 till February 29, 2020:

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution				Yes				
Category	Mode of Voting	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	E-Voting	4237523	4237523	100.00	4237523	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**4237523**	**4237523**	**100.00**	**4237523**	**0**	**100.00**	**0.00**
Public - Institutions	E-Voting	252396	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**252396**	**0**	**0.00**	**0**	**0**	**0.00**	**0.00**
Public – Non Institutions	E-Voting	15709910	11669	0.07	6819	4850	58.44	41.56
	Postal Ballot		1712821	10.90	1712302	2	99.97	0.00
	Total	**15709910**	**1724490**	**10.98**	**1719121**	**4852**	**99.69**	**0.28**
Total		**20199829**	**5962013**	**29.52**	**5956644**	**4852**	**99.91**	**0.08**

Based on the Scrutinizer's Report dated February 7, 2017, the Chairman declared that all the Special Resolutions mentioned hereunder were approved by the Shareholders with the requisite majority on Monday, February 6, 2017, being the last date of receipt of votes electronically and physical Postal Ballot Forms:

Item No. 1 – Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 as amended, and the Rules made thereunder (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force) (the "Companies Act"), consent of Members of the Company be and is hereby accorded to increase the authorized share capital of the Company from Rs. 250,000,000/- (Rupees Twenty Five Crores only) divided into 25,000,000 (Two Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 500,000,000/- (Rupees Fifty Crores only) divided into 50,000,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each, by way of creation of 25,000,000 (Two Crores Fifty Lakhs) new Equity Shares of Rs. 10/- (Rupees Ten only) each, aggregating to Rs. 250,000,000/- (Rupees Twenty Five Crores only) and the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted and replaced with the following Clause:-

V. The Authorized Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crores only) divided into 50,000,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each with power to increase and reduce the capital of the Company and to divide or subdivide the shares in capital for time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board in accordance with the Articles of the Company for the time being and to modify or abrogate of any such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the Company for the time being in force.

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RESOLVED FURTHER THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, the Articles of Association of the Company be altered by substituting the following new Article in place of the existing Article 3:

3. The Authorized Share Capital of the Company will be as specified in Clause V of the Memorandum of Association of the Company, as amended from time to time.

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 of Directors which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this Resolution) be and is hereby authorized to take such steps as may be necessary and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this Resolution."

Item No. 2 – Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42 and 62 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (the "Companies Act"), and in accordance with the Memorandum of Association and Articles of Association of the Company, the Reserve Bank of India ("RBI") Circulars on the Strategic Debt Restructuring Scheme ("SDR Scheme") dated June 8, 2015, September 24, 2015, February 25, 2016 and November 10, 2016 ("RBI Circulars"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations"), applicable provisions of Uniform Listing Agreement under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), all as amended from time to time, and other applicable rules, regulations, notifications, amendments issued by the Government of India, RBI, SEBI, Joint Lenders Forum ("JLF") and any other regulatory or other appropriate authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents and all such other approvals (including approvals of the JLF Lenders of the Company) and pursuant to the in-principle invocation of the provisions of SDR Scheme by the JLF, subject to approval from their respective competent authorities, (as approved in the meeting of the JLF held on August 16, 2016), in terms of the RBI Circulars; consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this Resolution), to amend, alter and modify the financing documents (the "Financing Documents") executed amongst the Company and the Lenders mentioned thereunder (the "JLF Lenders") to include provisions to invoke SDR Scheme with an option to the JLF Lenders to convert the whole or part of their debt (interest / installment of loan) of the Company (whether then due or payable or not) ("outstanding dues"), into fully paid-up Equity Shares of the Company, so as to collectively acquire minimum shareholding of 51% or more by the JLF Lenders in the paid-up equity share capital of the Company, at a price as determined in accordance with the guidelines issued by the Reserve Bank of India, from the date (which date is hereinafter referred to as the "date of conversion") and in the manner specified in a notice in writing to be given by the JLF Lenders to the Company (which notice is hereinafter referred to as the "conversion notice") and inter-alia in accordance with the following conditions:

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i) The conversion right reserved as aforesaid may be exercised by the JLF Lenders in accordance with the RBI Circulars;

ii) The price of conversion of the outstanding debt into fully paid-up equity shares of the Company shall be at the conversion price to be determined in accordance with the SDR Scheme as may be approved by JLF / JLF Lenders under RBI Circulars;

iii) On receipt of the conversion notice, the Company shall issue and allot the requisite number of fully paid-up equity shares to the JLF Lenders as from the date of conversion, which allotment shall either be pro-rata to the debt owed by the Company to each JLF Lender or in such other proportion as the JLF Lenders may inter-se agree and specify in the conversion notice and the JLF Lenders shall accept the same in satisfaction of the part of the loans so converted;

iv) Any conversion in terms of SDR Scheme shall be subject to applicable guidelines issued by the RBI, provisions of the Companies Act and by SEBI. The Company shall take all corporate and other actions as may be required for issuance of Equity Shares pursuant to the exercise of conversion right by the JLF Lenders, including but not limited to the passing of required resolutions and intimation to the Stock Exchanges;

v) The conversion shares so issued and allotted , from the date of conversion, shall rank pari-passu in all respects with the existing equity shares of the Company, including dividend entitlement;

vi) The outstanding dues so converted shall cease to carry interest as from the date of conversion and the financial facilities shall stand correspondingly reduced. Upon such conversion, the installments of the financial facilities payable after the date of conversion as per the Financing Documents shall stand reduced proportionately by the amounts of the outstanding dues so converted;

vii) The Company shall, at all times, maintain sufficient un-issued authorized equity shares for the above purpose and obtain all requisite corporate approvals and authorizations as may be required in this regard;

viii) In the event that the JLF Lenders exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the JLF Lenders as a result of the conversion, listed with such stock exchanges as may be prescribed by the JLF Lenders as also comply with all statutory requirements and applicable laws in connection with the issue of the conversion shares as stated above;

ix) In the event that the JLF Lenders exercise the conversion right as aforesaid, the JLF Lenders may, for the purposes of divesting their shareholding in the Company in compliance with the SDR Scheme, sell the equity shares so acquired to a new investor in accordance with RBI Circulars;

x) In the event that the JLF Lenders exercise the conversion right as aforesaid, the equity shares so acquired by the JLF Lenders shall be locked-in for a period of one year commencing from the date of receipt of the trading approval in respect of such equity shares or such other period as may be prescribed, provided for the purpose of transferring the control, the JLF Lenders may transfer their shareholding to the new investor before completion of the lock-in period subject to continuation of the lock-in on such equity shares on the remaining period with the transferee.

RESOLVED FURTHER THAT subject to compliance with applicable laws, the Board be and is hereby authorized to offer, issue and allot, in one or more tranches, such number of Equity Shares of face value of Rs. 10/- each fully paid-up, to the JLF Lenders, on preferential basis, at a conversion price to be determined as per RBI Circulars, in such manner and on such other terms and conditions as may be mutually agreed between the Board and the JLF / JLF Lenders in accordance with SDR Scheme under RBI Circulars; PROVIDED however that the JLF Lenders shall convert such amount of outstanding dues which shall enable them to collectively acquire and hold minimum 51% or more of the total paid-up equity share capital of the Company which works out to 21,024,312 (Two Crores Ten Lakhs Twenty Four Thousand Three Hundred Twelve) Equity Shares of the Company.

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RESOLVED FURTHER THAT the Reference Date / Relevant Date in relation to pricing of the aforesaid issue of Equity Shares, in accordance with the SDR Scheme as may be approved by JLF under RBI Circulars and SEBI ICDR Regulations would be August 16, 2016, being the date when the JLF accorded its "In-principle" approval to invoke SDR Scheme.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and accept such modifications and to negotiate and accept such terms and conditions as may be imposed or required by the JLF / JLF Lenders from or incidental to the aforesaid terms providing for such option and to do all such acts, deeds, matters and things as may be necessary to give effect to the above Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution and the conversion right of the JLF Lenders, including pursuant to the RBI Circulars, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as the JLF / JLF Lenders and other appropriate authorities may require and the Board may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the requisite number of equity shares, to list them with the Stock Exchange(s), to apply for and obtain necessary listing and trading approvals of the equity shares to be issued and allotted to the JLF Lenders upon conversion of their outstanding due amounts (or part thereof), to dematerialize the said fully paid-up equity shares of the Company, to convert the part outstanding debt into fully paid-up equity shares of the Company, effectuate the change in ownership of the Company in favour of the JLF Lenders as per the SDR Scheme as may be approved by JLF under RBI Circulars, and to modify, accept and give effect to any modifications in the terms and conditions of the issue(s) as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, RBI, JLF, etc.) and such other approvals (including approvals of the existing JLF Lenders of the Company, if any) and as may be agreed by the Board, and to resolve and settle any question, difficulty or doubt that may arise in this regard including but not limited to size, pricing and other terms and conditions of the issue, offer and allotment of the equity shares and to do all such other acts, deeds, matters, applications, and things in connection or incidental thereto including but not limited to share subscription agreements, in connection with the proposed issue as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the Members or otherwise to that end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any one or more Directors of the Company, with power to delegate to any officers of the Company, to give effect to this Resolution."

Item No. 3 – Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the approval of the Nomination and Remuneration Committee of Directors and the Board of Directors granted at their respective meetings held on December 30, 2016; and subject to approval of the Central Government if required; approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Pramoud Rao (DIN: 00010743) as Managing

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HELD AT Registered office ON 08/02/2017 TIME 3.30 p.m.

Director and Key Managerial Personnel of the Company, for a further period of five years effective from March 1, 2017 till February 28, 2022, upon the terms and conditions including the terms of his remuneration for a period of three years effective from March 1, 2017 till February 29, 2020, as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Pramoud Rao.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee of Directors / Board of Directors be and is hereby authorised to decide on the increment of the Managing Director, after reviewing the performance of the Company and the Managing Director, from time to time, which shall be within the limits of the salary grade specified in above, subject to the ceiling limits as mentioned above and under the provisions of the Companies Act, 2013, or any modification(s) or re-enactment(s) thereof for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year of the Company during the said tenure of Mr. Pramoud Rao's office as the Managing Director; the remuneration, perquisites and benefits as specified above (except commission) be paid or granted to Mr. Pramoud Rao, subject to the ceiling limit specified under Schedule V to the Companies Act, 2013; and if the said remuneration is in excess of the ceiling limit so prescribed, necessary approval of the Central Government be obtained, if required.

RESOLVED FURTHER THAT the Board / Committee of Directors be and are hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable in order to give effect to this Resolution."

VOTE OF THANKS:

Proceedings thereafter concluded with vote of thanks to the Chairman.

K. Trivedi

Date of Entry: **February 17, 2017** **COMPANY SECRETARY**

Place: Mumbai
Date: **February 18, 2017** **CHAIRMAN**

CHAIRMAN'S INITIALS

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