AWAKE ALWAYS

October 31, 2019

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 Postal Ballot Notice**

With reference to our letter dated October 25, 2019 intimating approval of Board of Directors of the Company to conduct Postal Ballot for seeking approval of the Members for businesses mentioned in the Postal Ballot Notice; and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Postal Ballot Notice dated October 25, 2019 alongwith Postal Ballot Form, for your ready reference and record.

Kindly acknowledge receipt of the same.

Thanking you,

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



**Pramoud Rao**
*Managing Director*

Encl: as above

# ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED

**CIN:** L32109MH1994PLC083391
**Regd. Office:** 501, Silver Metropolis, Western Express Highway, Goregaon (East), Mumbai 400063.
**Tel.:** 22 4290 4290 I **Fax:** 22 4290 4291 I **Email:** investors@zicom.com I **Website:** www.zicom.com

**POSTAL BALLOT NOTICE**

(Pursuant to Section 110 of the Companies Act, 2013, as amended, read with the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

**Notice** is hereby given that pursuant to Section 110 of the Companies Act, 2013 (the "**Companies Act**"), read with the Companies (Management and Administration) Rules, 2014 (the "**Rules**") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and other applicable laws and regulations, that Zicom Electronic Security Systems Limited (the "**Company**") is seeking consent of its Members through Postal Ballot / electronic voting (e-voting) for matters as considered in the Resolutions appended below.

Accordingly, the proposed Special Resolutions, together with the respective Explanatory Statement pursuant to Section 102 of the Companies Act in respect of the special businesses of the Notice is being sent to you along with a Postal Ballot Form and self-addressed postage prepaid envelope for your consideration and voting. The Board of Directors of the Company has appointed Ms. Purvi Vasha, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

As required under Regulation 44 of SEBI LODR and in compliance with Section 108 of the Companies Act and the Rule 20 of the Rules, the Company is providing e-voting facility to the Members of the Company and in this regard, it has engaged the services of Central Depository Services Limited ("**CDSL**").

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in Note No. 12 under the section 'Instructions for Voting through electronic means' in this Notice.

Members voting through physical Ballot Form are requested to carefully read the instructions printed in the accompanying Postal Ballot Form and return the same along with Assent (FOR) or Dissent (AGAINST), in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before 5:00 p.m. on Sunday, December 1, 2019. Please note that any Postal Ballot Form(s) received after the said date and time will be treated as not having been received.

The Scrutinizer will submit her Report to the Chairman after completion of the scrutiny of the Postal Ballots received and the votes casted by electronic mode. The Chairman of the Company will declare the Results of the Postal Ballot (including e-voting) not later than December 3, 2019 at 5:00 p.m. at the Registered Office of the Company at 501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai 400063 and communicate the same to the relevant Stock Exchanges. The Results of the Postal Ballot along with the Scrutinizer's Report will also be posted on the Company's website viz. www.zicom.com and on the website of CDSL viz. www.evotingindia.com.

**SPECIAL BUSINESS:**

**1. Approval for sale of 100% stake held by the Company, along with the undertaking / business of its wholly owned and material subsidiary Zicom SaaS Private Limited:**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as amended (the "**Companies Act**"), Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and the Listing Agreement entered into by the Company with the relevant Stock Exchanges where the shares of the Company are listed and any other applicable law or laws rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Associations of the Company and subject to the approval, if applicable, of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or all other authorities institutions or bodies within or outside India and subject to such conditions as may be prescribed by any of them while granting such approval, the consent of the Company be and is hereby given to the Board of Directors of the Company to sell / dispose / transfer of all or part of the shares of the Company's subsidiary, namely, Zicom SaaS Private Limited at an appropriate price which will be not less than Rs.18,00,00,000/-

(Rupees Eighteen Crores only) (for entire shareholding) duly adjusted for dividend pay-outs, if any, between the date of resolution and the date of sale.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform or caused to do or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, without further referring to the Members of the Company, including without limitation, if need to be changed, and finalising and executing necessary documents including agreements, deeds of assignment and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, and to delegate all or any of the powers or authorities herein conferred to any Director or any other officer(s) of the Company, or to any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution or to a Committee constituted by the Board or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members and to comply with all formalities and procedures required to be complied by the Company in relation to the sale / disposal / transfer of Zicom SaaS Private Limited."

**2. Assignment by way of transfer / sale the Trademark and Domain Name 'Zicom':**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as amended (the "**Companies Act**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and the Listing Agreement entered into by the Company with the relevant Stock Exchanges where the shares of the Company are listed and any other applicable law or laws rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Associations of the Company and subject to the approval, if applicable, of the Securities and Exchange Board of India and subject to such conditions as may be prescribed by any of them while granting such approval, the consent of the Members of the Company be and is hereby given to the Board of Directors of the Company to assign by way of transfer, assignment and/or sale by the Company of the trademark and domain name 'Zicom' to Zicom SaaS Private Limited ("**Zicom SaaS**") for use in the business of offering remote managed electronic security services through 24x7 manned command and control station business of Zicom SaaS (the "**Trademark**"), which has been currently licensed for use to Zicom SaaS and is an integral part of business of Zicom SaaS, as a going concern at an appropriate price to be mutually negotiated which will be not less than Rs. 38,00,00,000/- (Rupees Thirty Eight Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform or caused to do or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, without further referring to the Members of the Company, including without limitation, if need to be changed, and finalising and executing necessary documents including agreements, deeds of assignment and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, and to delegate all or any of the powers or authorities herein conferred to any Director or any other officer(s) of the Company, or to any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution or to a Committee constituted by the Board or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members and to comply with all formalities and procedures required to be complied by the Company in relation to assignment by way of transfer, assignment or sale the Trademark."

**3. Sale of immovable properties of the Company:**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as amended (the "**Companies Act**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and the Listing Agreement entered into by the Company with the relevant Stock Exchanges where the shares of the Company are listed and any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Associations of the Company and subject to the approval, if applicable, of the Securities and Exchange Board of India and subject to such conditions as may be prescribed by any of them while granting such approval, the consent of the Members of the Company be and is hereby given to the Board of Directors of the Company to transfer in any manner, including, sale, exchange or long term lease of the immovable properties of the Company located at Mumbai, Bengaluru and New Delhi (the "**Immovable Property**"), to one or more transferees, in whole or in part, on such terms and conditions as may be considered expedient and best negotiated in the interest of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform or caused to do or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, without further referring to the Members of the Company, including without limitation, if need to be changed, and finalising and executing necessary documents including agreements and such other documents as may be necessary or expedient in its own discretion and in the best interest of

the Company, and to delegate all or any of the powers or authorities herein conferred to any Director or any other officer(s) of the Company, or to any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution or to a Committee constituted by the Board or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members and to comply with all formalities and procedures required to be complied by the Company in relation to sale / transfer of the Immovable Property."

**4. Sale of shares held by the Company in Unisafe Fire Protection Specialists LLC, Dubai, a step down subsidiary of the Company, directly and indirectly through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; alongwith the business of Unisafe Fire Protection Specialists LLC, Dubai:**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under as amended (the "**Companies Act**"), Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and the Listing Agreement entered into by the Company with the relevant Stock Exchanges where the shares of the Company are listed, the provisions of the Foreign Exchange Management Act, 1999, as amended and rules and regulations made, if applicable and any other applicable law or laws rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Associations of the Company and subject to the approval, if applicable, of Government of India, Reserve Bank of India, Securities and Exchange Board of India and / or all other authorities institutions or bodies within or outside India and subject to such conditions as may be prescribed by any of them while granting such approval, the consent of the Members of the Company be and is hereby given to the Board of Directors of the Company (the "Board") to sell / dispose / transfer of entire investments, in one or more tranches to one or more prospective transferees, i.e. 49% shares in Unisafe Fire Protection Specialists LLC, Dubai, held directly and indirectly through a wholly owned subsidiary Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, alongwith economic interest of 95%, at a price not less than AED 1.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform or caused to do or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, without further referring to the Members of the Company, including without limitation, if need to be changed, and finalising and executing necessary documents including agreements, deeds of assignment and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, and to delegate all or any of the powers or authorities herein conferred to any Director or any other officer(s) of the Company, or to any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution or to a Committee constituted by the Board or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members and to comply with all formalities and procedures required to be complied by the Company in relation to the sale / disposal / transfer of Unisafe Fire Protection Specialists LLC, Dubai."

**5. Sale of shares held by the Company in Phoenix International WLL, Qatar, a step down subsidiary of the Company, directly and indirectly through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; along with the business of Phoenix International WLL, Qatar:**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under as amended (the "**Companies Act**"), Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and the Listing Agreement entered into by the Company with the relevant Stock Exchanges where the shares of the Company are listed, the provisions of the Foreign Exchange Management Act, 1999, as amended and rules and regulations made, if applicable and any other applicable law or laws rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Associations of the Company and subject to the approval of, if applicable, Government of India, Reserve Bank of India, Securities and Exchange Board of India and / or all other authorities institutions or bodies within or outside India and subject to such conditions as may be prescribed by any of them while granting such approval, the consent of the Members of the Company be and is hereby given to the Board of Directors of the Company (the "Board") to sell / dispose / transfer of entire investments, in one or more tranches to one or more prospective transferees, i.e. 49% shares in Phoenix International WLL, Qatar, held directly and indirectly through a wholly owned subsidiary Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, alongwith economic interest of 99%, at a price not less than QAR 1.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform or caused to do or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, without further referring to the Members of the Company, including without limitation, if need to be changed, and finalising and executing necessary documents including agreements, deeds of assignment and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, and to delegate all or any of the powers or authorities herein conferred to any Director or any

other officer(s) of the Company, or to any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution or to a Committee constituted by the Board or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members and to comply with all formalities and procedures required to be complied by the Company in relation to the sale / disposal / transfer of Phoenix International WLL, Qatar."

**6. Re-appointment of Mr. Anil Khanna as an Independent Director of the Company for a second term:**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) (the "**Companies Act**") and Regulation 17(1A) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, if any, Mr. Anil Khanna (DIN: 00199924), who is eligible for re-appointment as an Independent Director 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 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for the second term commencing from November 28, 2019 till the conclusion of the Annual General Meeting to be held in the year 2022."

By **Order of the Board of Directors**

**Kunjan Trivedi**
**Company Secretary**

Date: October 25, 2019
Place: Mumbai

**Registered Office**:
501, Silver Metropolis,
Western Express Highway,
Goregaon East, Mumbai 400063.

**NOTES:**

1. Pursuant to Section 102 read with Section 110 and other applicable provisions, if any, of the Companies Act, the relative Explanatory Statement and reasons for the proposed Resolutions under Item Nos. 1 to 6 above is annexed herewith and forms part of this Notice.
2. All documents referred to in this Notice and the Explanatory Statement pursuant to Section 102 of the Companies Act shall be open for inspection by the Members at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m., upto the date of declaration of Results of the Postal Ballot.
3. Resolutions passed by the Members through Postal Ballot are deemed to have been passed effectively at a general meeting of the Members of the Company held on the date of declaration of Results of the Postal Ballot.
4. The Notice is being sent to all the Members whose names appear in the Register of Members / List of Beneficial Owners as on October 18, 2019. Voting Rights shall be reckoned on the paid-up value of the shares registered in the names of the Members as on said date. A person who is not a Member as on October 18, 2019 should treat this Notice for information purpose only.
5. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. A Postal Ballot Form along with self-addressed postage prepaid envelope is also enclosed. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Forms, if sent by courier or by Registered Post at the expense of the registered Member, will also be accepted. The Members voting in physical form are requested to carefully read the instructions printed in the attached Postal Ballot Form. The envelope containing the Postal Ballot should reach the Scrutinizer not later 5:00 p.m. on Sunday, December 1, 2019. Any Postal Ballot Form received after the said date and time shall be treated as if the reply from the Member has not been received.

6. In terms of Sections 108, 110 of the Companies Act read with the Rules and Regulation 44 of SEBI LODR, the Company is providing facility to the Members to cast their votes on the items of business given in the Notice through electronic voting systems, through e-voting platform provided by Central Depository Services Limited (CDSL). The Members may cast their votes on electronic voting system. The e-voting period will commence at 9:30 a.m. on Saturday, November 2, 2019 and will end at 5:00 p.m. on Sunday, December 1, 2019. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period. The Company has 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. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

7. Kindly note that the Members can opt only one mode of voting i.e. either by physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by physical Postal Ballot and vice versa. However, in case the Members cast their vote by Physical Postal Ballot and e-voting, then voting done by e-voting shall prevail and voting done through valid physical Ballot will be treated as invalid.

8. For any grievances / queries connected with the voting by physical Postal Ballot, Members may contact the undersigned at investors@zicom.com or write to her at the Registered Office of the Company.

9. The Scrutinizer will submit her report to the Chairman of the Company or in his absence by any other person, so authorized by the Chairman, after completion of scrutiny of Postal Ballot Forms received. The Results of the Postal Ballot will be announced by the Chairman or in his absence by any other person, so authorized by the Chairman not later than December 3, 2019 at 5:00 p.m. at the Registered Office of the Company situated at 501, Silver Metropolis, Western Express Highway, Goregaon East, Mumbai 400063. The Results of the Postal Ballot alongwith the Scrutinizer's Report will be informed to the Stock Exchanges, after declaration of the Results and uploaded on the website of the Company www.zicom.com and of Central Depository Services Limited (CDSL) www.evotingindia.com.

10. The declaration by Chairman as stated above shall be treated as declaration of the Results by the Chairman at a meeting of the Members.

11. Members are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.

12. **Instructions for Voting through electronic means**:

i. The voting period begins on November 2, 2019 (9.30 a.m.) and ends on December 1, 2019 (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 (record date) of October 18, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The Members who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.

iii. The Members should log on to the e-voting website www.evotingindia.com.

iv. Click on "Shareholders" tab.

v. Now Enter your User ID

   a. For CDSL: 16 digits Beneficiary ID

   b. For NSDL: 8 character DP ID followed by 8 digits Client ID

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user, follow the steps given below:

| For Members holding shares in Dematerialized Form and Physical Form | |
|---|---|
| **PAN** | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the Postal Ballot Form) in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| **Dividend Bank Details OR Date of Birth (DOB)** | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order of login.<br>• If both the details are not recorded with the Depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v). |

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN of <ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED> on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. 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.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

xix. **Shareholders can also cast their vote using CDSL's mobile App m-Voting. The m-Voting App can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile App while voting on your mobile**.

xx. **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

xxi. In case of any queries, grievances or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under Help Section or write an email to helpdesk.evoting@cdslindia.com.

xxii. In case a person has become a Member of the Company after dispatch of Postal Ballot Notice but on or before the cut-off date for e-voting i.e. October 18, 2019, he / she may obtain the User Id and Password in the manner as mentioned in (i) to (xxi) above.

**EXPLANATORY STATEMENTS AND REASONS FOR THE PROPOSED RESOLUTIONS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 1:**

**Sell / dispose / transfer of shares of the Company's subsidiary:**

Under section 180(1)(a) of the Companies Act, the Board of Directors of the Company require the approval of the members by way of a Special Resolution to sell, lease or dispose of the whole or substantially the whole of the undertaking of the Company or where there are more than one undertaking, than the whole or substantially the whole of any of such undertakings. The reasons and rationale for such sale are set out in the Schedule A to this Explanatory Statement.

The Members are being informed that the Board of Directors of the Company has obtained valuation report from Category I Merchant Banker to determine the enterprise value / fair realizable value of Zicom SaaS Private Limited.

The Board recommends the Special Resolution set out at Item No. 1 of the Notice for approval of the Members of the Company.

Except Mr. Manohar Bidaye and Mr. Pramoud Rao, none of the Directors and the Key Managerial Personnel of the Company and their relatives, are, in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

**ITEM NO. 2:**

**Assignment by way of transfer / sale of the trademark and domain name 'Zicom':**

Under section 180(1)(a) of the Companies Act, the Board of Directors of the Company require the approval of the Members by way of a Special Resolution to assign by way of transfer / sale the trademark(s) and domain name of the Company.

The Company is the legal and beneficial owner and registered proprietor of the trademark and domain name 'Zicom', (hereinafter referred to as the "Trademark"). The said Trademark has been licensed for use to Zicom SaaS Private Limited ("Zicom SaaS") having its Registered Office at 501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai 400063, wholly owned and material subsidiary of the Company, ("Zicom SaaS"), at no consideration. Zicom SaaS is engaged in the business of offering various remote managed electronic security services through 24x7 manned command and control station by connecting various security gadgets / hardware, sensors forming part of CCTV Systems, Access Control Systems, Fire Alarm Systems and Intruder Detection Systems installed at the locations of the Clients, on monthly / quarterly service charges. The services include remote alarm & video monitoring with remote contingency backed by emergency response management services through manned command and control station based on alerts generated from sites. Zicom SaaS also offers annual maintenance services (AMC).

As a part of part of sale / disposal / transfer of shares held by the Company in Zicom SaaS, under Item No. 1 above, and based on the valuation report from an independent valuer determining the Trademark value, the Company shall transfer, assign or sell the Trademark to Zicom SaaS. The details of the Trademark are set out in the Schedule B to this Explanatory Statement.

Further, as a part of understanding under Item No. 2 between the Company and the potential transferee of Zicom SaaS, Zicom SaaS will enter into a license arrangement, for use of the trademark and domain name which are subject to transfer under this resolution, in perpetuity without any consideration, by the Company or any of its group company or company nominated by the Company or its Promoters. Therefore, the Company will continue to use trademark and domain name 'Zicom' without affecting its business.

As per the audited balance sheet of the last financial year, the consolidated total income of the Company was negative and therefore the sale proceeds to be received by the Company from the assignment of the trademark will be excess of 20% of the consolidated total income of the Company, and accordingly approval is required in terms of Section 180(1)(a) of the Companies Act.

Accordingly, the Board recommends the Special Resolution set out at Item No. 2 of the Notice for approval of the Members of the Company.

The sale proceeds received by the Company from the sale of the Trademark shall be utilized for settlement of consortium lenders and other pending claim of current outstanding creditors of the Company.

Except Mr. Manohar Bidaye and Mr. Pramoud Rao, none of the Directors and the Key Managerial Personnel of the Company and their relatives, are, in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

**ITEM NO. 3:**

**Sale / Transfer of the Immovable Property:**

Under Section 180(1)(a) of the Companies Act, the Board of Directors of the Company require the approval of the members by way of a Special Resolution for the sale / transfer of the immovable property(s) of the Company.

The Members had approved the creation of mortgage / charges, etc. on the properties of the Company as security against the borrowing of the Company through a Special Resolution at their 20th Annual General Meeting held on September 5, 2014.

The Company is the legal owner of the properties situated at Mumbai, Bengaluru and New Delhi ("**Immovable Property**"). The properties located at Mumbai and Bengaluru have been mortgaged with Central Bank of India having first pari passu charge and to the consortium lenders of the Company having second pari passu charge, to secure the repayment of the financial facilities availed by the Company. Further, the property located at New Delhi is having negative lien marked by consortium lenders of the Company. The consortium lenders, as part of the settlement arrangement, have in-principle agreed to release the charge on the assets, including movable assets and Immovable Property, subject to receipt of compromised / settlement amount.

As per the audited balance sheet of the last financial year, the consolidated total income of the Company was negative and therefore the sale proceeds to be received by the Company from the sale of the Immovable Property will be excess of 20% of the consolidated total income of the Company, and accordingly approval is required in terms of Section 180(1)(a) of the Companies Act.

Accordingly, the Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval of the Members of the Company.

The amount, if any, received from the sale of Immovable Property shall be utilized for settlement of dues of consortium lenders, pending claim of current outstanding creditors and meeting operational expenses of the Company.

Except Mr. Manohar Bidaye and Mr. Pramoud Rao, none of the Directors and the Key Managerial Personnel of the Company and their relatives, are, in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

**ITEM NOS. 4 and 5:**

**Sell / dispose / transfer of entire shareholding of the Company in its two step down subsidiaries viz. Unisafe Fire Protection Specialists LLC, Dubai and Phoenix International WLL, Qatar:**

Under section 180(1)(a) of the Companies Act, the Board of Directors of the Company require the approval of the members by way of a Special Resolution to sell, lease or dispose of the whole or substantially the whole of the undertaking of the Company or where there are more than one undertaking, than the whole or substantially the whole of any of such undertakings. The reasons and rationale for such sale are set out in the Schedule C to this Explanatory Statement.

The Members had approved the creation of mortgage / charges, etc. on the properties of the Company as security against the borrowing of the Company through a Special Resolution at their 20th Annual General Meeting held on September 5, 2014. However, the approval of the Members of the Company is now being sought for sale / disposal / transfer of 49% shares held directly and indirectly in Unisafe Fire Protection Specialists LLC, Dubai and Phoenix International WLL, Qatar, along with economic interest of 95% and 99% respectively, at a price not less than AED 1 and QAR 1 respectively, by way of Special Resolutions by Postal Ballot as mentioned in the Notice.

The Members are being informed that the Company has appointed SEBI registered Category I Merchant Banker, for conducting the valuation exercise of both, Unisafe Fire Protection Specialists LLC, Dubai and Phoenix International WLL, Qatar. The consideration expected from the potential buyer / investor is in line with the respective valuation reports.

The Board recommends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice for approval of the Members of the Company.

Except Mr. Manohar Bidaye and Mr. Pramoud Rao, none of the Directors and the Key Managerial Personnel of the Company and their relatives, are, in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolutions.

**ITEM NO. 6:**

**Re-appointment of Mr. Anil Khanna as an Independent Director of the Company for a second term:**

Mr. Anil Khanna (DIN: 00199924) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 at the Annual General Meeting of the Company held on September 24, 2018 for a period of two years ("First Term"). In terms of the provisions of Section 149 of the Act, the independent directors of the Company are eligible for re-appointment for their second term.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Anil Khanna as an Independent Director, for a second term of 2 (two) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Anil Khanna would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Anil Khanna as an Independent Director of the Company, not liable to retire by rotation, for a second term of 2 (two) consecutive years on the Board of the Company.

Mr. Anil Khanna is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director.

The Company has also received declaration from Mr. Anil Khanna that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Anil Khanna fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Anil Khanna is independent of the Management.

Details of Mr. Anil Khanna are provided in Schedule D to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board and reimbursement of expenses for participating in the Board and other meetings.

Copy of draft letter of appointment of Mr. Anil Khanna setting out the terms and conditions of appointment is available for inspection by the Members at the registered office of the Company.

Mr. Anil Khanna is interested in the resolution set out at Item No. 5 of the Notice with regard to his re-appointment. Relatives of Mr. Anil Khanna may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

By **Order of the Board of Directors**

**Kunjan Trivedi**
**Company Secretary**

Date: October 25, 2019
Place: Mumbai

**Registered Office:**
501, Silver Metropolis,
Western Express Highway,
Goregaon East, Mumbai 400063.

**Schedule A**

**1. Background**

The India business of Zicom Group consists of Zicom Electronic Security Systems Limited (the "**Company**") and Zicom SaaS Private Limited ("**Zicom SaaS**"), a wholly owned and material subsidiary of the Company. The Company is engaged in the business of distribution of electronic security systems through distributors and channel partners; whereas Zicom SaaS is engaged in the business of offering various remote managed electronic security services through 24x7 manned command and control station by connecting various security gadgets / hardware, sensors forming part of CCTV Systems, Access Control Systems, Fire Alarm Systems and Intruder Detection Systems installed at the locations of the Clients, on monthly / quarterly service charges. The services include remote alarm & video monitoring with remote contingency backed by emergency response management services through manned command and control station based on alerts generated from sites. Zicom SaaS also offers annual maintenance services (AMC).

**2. Reasons for liquidity issues**

The business of the Company has been severely impacted due to following reasons:

- Adverse Impact of Government's Policy: Due to implementation of Make in India initiative the viability of business of the Company got affected. With imposition of indirect tax of 30% by way of custom duty, overall prices of the products moved higher. Further, the imported products became costlier than locally manufactured products. As the Company didn't have resources to install manufacturing facility, the Company lost its competitive advantage. Further, security products like cameras, etc. became a commodity akin to IT Hardware. This resulted in further erosion of margin.
- Liquidity stress in Middle East Subsidiaries: The investments made by the Company in its two Middle East subsidiaries viz. Unisafe Fire Protection Specialists LLC, Dubai and Phoenix International WLL Qatar, have been completely eroded due to fall in oil prices and subsequent economic and political challenges in the Middle East region. This has significantly impacted the financial condition of Zicom Group adversely.
- Non availability of growth capital which is critical for the continuation and revival of the business.
- Increase in competition, and
- Delay in recoveries of receivables, posing serious liquidity challenges.

The above mentioned reasons impacted the cash-flow generation ability of the Company and thereby reducing the business by about 95% from the peak level, thus leading to huge losses.

At present, the business of the Company is near standstill and the Company is facing huge pressure of tax liabilities and continuing threat of adverse actions by the creditors. At this stage, the Company is finding difficult to meet its operating expenses including payment of statutory and government dues and repayment of its debt.

The following table provides the recent historical consolidated financial performance of the Company:

(in Rs. lakhs)

| **Particulars** | **2016-17** | **2017-18** | **2018-19** |
|---|---|---|---|
| Total Revenue | 71,477.00 | 26,887.00 | 8,824.00 |
| EBITDA | (9,241.00) | (22,356.00) | (24,744.00) |
| Profit Before Tax | (22,294.00) | (34,012.00) | (26,969.00) |

The total borrowings of the Company from consortium lenders, as on March 31, 2019 is Rs. 63,542 lakhs and Rs. 12,669 lakhs on consolidated and standalone basis respectively. As per its last audited financials, the Company has a negative Net Worth.

The consortium lenders taking cognizance of the challenges invoked Strategic Debt Restructuring (SDR) in the Company in August 2016 and converted part debt into 51% equity, as per SDR Guidelines of Reserve Bank of India, in February 2017.

**3. Management Efforts and its outcome**

- Recognising the need for financial infusion, Management made efforts to bring financial and / or strategic partner for its India business. However, the transaction could not be fructified due to varied reasons.

- Simultaneously, the consortium lenders invoked SDR during 2016 thereby holding majority equity of the Company. However, no investor came on board and the financials continued to worsen. Post the lapse of mandatory SDR period of 18 months, the account became NPA from the date of SDR invocation.
- Even though the Promoters owned fraction of shares of the Company, they made several attempts, during the last 2 years, to raise the funds and / or find financial or strategic partner. However, their efforts did not fructify as there was a mismatch in the value offered by investor and expectations of the consortium lenders. With continued deterioration in health of the Company and changing business environment, finding investor was getting increasingly difficult.
- During these times, the Company continued showcasing the investment opportunity in the parent company, and its subsidiaries as the case may be to several investors. Investment in Zicom SaaS Private Limited – the wholly owned and material subsidiary of the Company ("Zicom SaaS"), which had few contracts, did evince interest at times. However, due to large amount of debt, expectation of consortium lenders, and complexity of the deal, dissuaded serious players to come to table for negotiation even though the Company had undergone long due diligence process on couple of occasions.
- As the value of both, the Company and Zicom SaaS, was deteriorating fast, offers from investor community at periodic intervals showed declining trend.
- In order to salvage situation, the Board of Directors of the Company introduced couple of potential buyers / investors to the consortium lenders. These potential buyers / investors expressed their interest to consortium lenders to acquire 100% equity stake of Zicom SaaS, held by the Company and thereby settle debt of consortium lenders of both, the Company and Zicom SaaS, subject to transfer of the trademark and domain name 'Zicom' ("**the Trademark**"), owned by the Company, to Zicom SaaS, at an appropriate price which will be not less than Rs. 18,00,00,000/- (Rupees Eighteen Crores only) for sale of 100% stake held in Zicom SaaS and at an appropriate price which will be not less than Rs. 38,00,00,000/- (Rupees Thirty Eight Crores only) for assignment of trademark and domain name 'Zicom' ("the Proposed Transaction").
- To resolve the debt situation of the Group, consortium lenders have in-principle agreed to go for one-time settlement.
- The Proposed Transaction is subject to approval / sanction of one-time settlement by all consortium lenders of the Company and other outstanding creditors.

  The Company has appointed SEBI registered Category I Merchant Banker, for conducting a valuation exercise, for Zicom SaaS and an independent valuer for undertaking the valuation of the Trademark 'Zicom'. The consideration expected from the potential buyer / investor for the Proposed Transaction is in line with the respective valuation reports.

**4. Rationale for the Proposed Sale**

- The Company's business is totally at standstill and there is no likelihood of revival as there has been permanent erosion in the earning capability and brand equity due to adverse change in the macro economic scenario.
- Given the scale of business and current margins, the Company is not able to cover its operating expenses and thus not in position to repay any debt.
- The subsidiary companies have also suffered heavily due to challenges in the Middle East and the Company's inability to support them due to its own liquidity stress.
- The Company needs substantial fund support for its revival, in the form of equity capital which is difficult to get in current scenario.
- Any financial or strategic investor would look for 100% ownership before providing any support to the Company.

**5. End use of sale proceeds**

The proceeds from the divestment and sale of the Trademark will be primarily utilized towards prepayment / repayment of the whole or a part of the existing indebtedness of the Company.

The Proposed Transaction will help the Company to revive its business and regain its lost market share.

**6. Board approval**

Regulation 24(5) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations") provides that no company shall, without passing a special resolution in its general meeting dispose of shares in a 'material subsidiary' which would reduce its shareholding (either on its own or together with other subsidiaries) to less

than 50% or result in the company ceasing to exercise control over the subsidiary, except in cases where such divestment is made under a scheme of arrangement duly approved by a court or the National Company Law Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within 1 day of the resolution plan being approved.

Further, Regulation 24(6) of Listing Regulations provides that selling or disposing assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the Members by way of special resolution, unless the sale or disposal is made under a scheme of arrangement duly approved by a court or the National Company Law Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within 1 day of the resolution plan being approved.

The term "material subsidiary" is defined to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

In the last financial year, the consolidated income of Zicom SaaS accounted for more than 10% of the consolidated income of the Company, and accordingly Zicom SaaS qualifies as a 'material subsidiary' of the Company.

Accordingly, the sale of the entire shareholding of the Company in Zicom SaaS, following which the Company would not (i) indirectly hold 50% or more of the share capital of Zicom SaaS; or (ii) have the power to appoint a majority of directors of Zicom SaaS, requires the approval of the Members of the Company through a special resolution.

Further, in terms of Section 180(1)(a) of the Companies Act, 2013, the board of directors of a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company (or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings) unless the members of the company consent by a special resolution in a general meeting. The term 'undertaking' is defined to mean an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.

As per the audited balance sheet of the last financial year, the consolidated total income of the Company was negative and therefore the total income of Zicom SaaS was in excess of 20% of the consolidated total income of the Company, and accordingly Zicom SaaS constitutes an 'undertaking' of the Company under Section 180(1)(a) of the Companies Act.

Accordingly, the sale of Zicom SaaS business requires the approval of the Members of the Company through a special resolution.

The Board of Directors recommends the passing of the resolution as set out in the accompanying Notice at Item No. 1 as a Special Resolution.

**Schedule B**

| **Trademark Details:** | | | | |
|---|---|---|---|---|
| **No.** | **Trademark Application Number** | **Class** | **Application Status** | **Proprietor Name** |
| 1. | 1448820 | 9 | Registered | Zicom Electronic Security Systems Limited |
| 2. | 1448820 | 16 | Registered | Zicom Electronic Security Systems Limited |
| 3. | 1448820 | 42 | Registered | Zicom Electronic Security Systems Limited |
| 4. | 3465221 | 45 | Registered | Zicom Electronic Security Systems Limited |
| 5. | 3465222 | 9 | Registered | Zicom Electronic Security Systems Limited |
| 6. | 3465223 | 16 | Accepted & Advertised | Zicom Electronic Security Systems Limited |
| 7. | 3465224 | 35 | Objected | Zicom Electronic Security Systems Limited |
| 8. | 3465225 | 37 | Accepted & Advertised | Zicom Electronic Security Systems Limited |

| **Domain Name Details:** | | |
|---|---|---|
| **No.** | **Domain Name** | **Registrant Organisation** |
| 1. | zicom.info | Zicom Electronic Security Systems Limited |
| 2. | zicom.org | Zicom Electronic Security Systems Limited |
| 3. | zicom.com | Zicom Electronic Security Systems Limited |
| 4. | zicomsaas.net | Zicom Electronic Security Systems Limited |
| 5. | zicomsaas.in | Zicom Electronic Security Systems Limited |
| 6. | zicomsaas.org | Zicom Electronic Security Systems Limited |
| 7. | zicomsaas.co.in | Zicom Electronic Security Systems Limited |
| 8. | zicomsaas.com | Zicom Electronic Security Systems Limited |
| 9. | usafe.co.in | Zicom Electronic Security Systems Limited |
| 10. | makemumbaisafe.in | Zicom Electronic Security Systems Limited |
| 11. | makemumbaisafe.com | Zicom Electronic Security Systems Limited |
| 12. | makemumbaisafe.net | Zicom Electronic Security Systems Limited |
| 13. | makemumbaisafe.org | Zicom Electronic Security Systems Limited |
| 14. | zicom.co.in | Zicom Electronic Security Systems Limited |

**Schedule C**

The Company's fire detection and protection business is mainly Gulf centric, particularly focused in the Middle East countries like seven emirates of United Arab Emirates, Qatar, Oman, Saudi Arabia, and surrounding Gulf Co-operation Council (GCC) countries. Thus, any changes and development in business and economic scenario in these regions also affect our business prospects to a great extent. The Company is carrying its business under two step-down subsidiary companies, Unisafe Fire Protection Specialists LLC, Dubai ("Unisafe Dubai") and Phoenix International WLL, Qatar ("Phoenix Qatar").

The Middle East market received severe setback due to fall in the oil price in the year 2015-16 which resulted in cutback in budgetary spending. The infrastructure growth of Middle East has been slowed down substantially with many projects being stuck up leading to Engineering Procurement & Constructions ("EPC") and Mechanical, Electrical and Plumbing ("MEP") companies facing liquidity challenges due to lack of cash flow. Many small and medium enterprises which represent over 2nd and 3rd layer players in the market are facing difficult task of survival and many moved out of the market. The payments of Unisafe Dubai and Phoenix Qatar got trapped due to EPC and MEP liquidity challenges.

During the last 3 years, major EPC companies have stopped their operations and abandoned their projects. This resulted in mass exodus of small and medium enterprise like Unisafe Dubai from UAE due to non-recovery of payments from EPC and MEP companies. This forced Unisafe Dubai and Phoenix Qatar to downsize its operations by 80%; however it was too late to recover the losses. Due to performance guarantee given to the companies, abandoning the projects due to lack of payment was a difficult task.

As the economy took sharp downturn and local bankers started withdrawing working capital sanctioned to the clients in UAE region, creating spiral effect in the economy with many projects getting stuck up due to lack of working capital / funds.

The geo political situation of the region has received further set back with the embargo placed by UAE and Kingdom of Saudi Arabia on Qatar. The land route to Qatar has been blocked resulting in complete stoppage of material movement. Qatar Civil Defense Authorities refused to recognize products approved by UAE Civil Defense for installation. Due to lack of road transportation and restriction on people movement, 90% of the projects in Qatar for all companies got stalled resulting in loss of value for all companies operating in the region. Unisafe Dubai and Phoenix Qatar has received major setback due to stoppage of Projects. The biggest challenge is to recover money from such stuck up Projects. Both these companies have down sized its operations substantially. Unless Government takes effective steps to infuse funding in the economy immediately, lot of companies may find their way out of Middle East market.

During last 2 years both, Unisafe Dubai and Phoenix Qatar, have made attempts to somehow survive in the market with the hope that market situation will revive sooner or later but it appears that revival will take longer period. This has impacted the cash-flow generation and businesses of both companies have been reduced by almost 80-90% from the peak level with huge losses. Today, both companies are finding it difficult to meet its operating expenses including payment of dues.

It is due to the above challenges that the Company has provided for the loans and advances extended to Unisafe Dubai and Phoenix Qatar as per prevailing Indian Accounting Standards (Ind-AS) as there is hardly any business viability in these entities.

In view of the losses suffered over past years; the cash flows of Unisafe Dubai and Phoenix Qatar have been affected adversely and as a result these companies have been unable to repay its debts, to financial lenders and creditors. The valuation of Unisafe Dubai and Phoenix Qatar is negative as per the valuation reports received from SEBI registered Category I Merchant Banker.

Considering the above developments; the Board of Directors of the Company approved sale of entire stake i.e. 49% held in Unisafe Dubai and Phoenix Qatar, respectively, alongwith economic interest of 95% and 99%, respectively ("the Proposed Transaction"), at a lumpsum cash consideration of not less than AED 1 and QAR 1, respectively, subject to approval of the Shareholders of the Company through Special Resolutions and the consortium lenders, if any.

With the Proposed Transaction, Unisafe Dubai and Phoenix Qatar, would cease to be the Company's step-down subsidiaries and as a result the debt will be reduced at the consolidate level of the Company. This will allow the Company to streamline its operations, revive its business and regain its lost market share.

In terms of the provisions of Section 180(1)(a) of the Companies Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the sale of shares held in Unisafe Fire Protection Specialists LLC, Dubai and Phoenix International WLL, Qatar, step down subsidiaries of the Company, held directly and through a wholly owned subsidiary company Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, to such potential buyer / investor as may be identified by the Board (not being related party) shall require approval of the shareholders of the Company by way of Special Resolutions.

The Board of Directors recommends the passing of the resolutions at Item Nos. 4 and 5 as set out in the accompanying Notice as Special Resolutions.

## Schedule D

| | |
|---|---|
| Name of the Director | Mr. Anil Khanna |
| Father's Name | Mr. Shambhoonath Khanna |
| Date of Birth | April 26, 1959 |
| Age | 60 years |
| Date of first appointment on the Board | November 28, 2017 |
| Directors Identification Number | 00199924 |
| Nationality | Indian |
| Experience (including expertise in specific functional areas) | Business Management and Statutory Compliance Services, Joint Ventures, Auditing, International Taxation and other related areas |
| Qualification | Commerce Graduate, F.C.A. |
| Terms and Conditions of Re-appointment | As per the resolution at Item No. 5 of this Notice read with explanatory statement thereto, Mr. Anil Khanna is proposed to be appointed as an Independent Director for second term. |
| Remuneration last drawn | Not Applicable |
| Remuneration proposed to be paid | No remuneration, except for sitting fees. |
| Number of Directorships in other companies | 14 |
| List of outside directorships held (includes public, private, foreign companies, companies under Section 8) | • Mercator Limited<br>• Shri Shambhu Offshore Services Private Limited<br>• Mercator Petroleum Limited<br>• Baruki Agro and Oils Private Limited<br>• Rolv Berg Drive (India) Private Limited<br>• Sterling Risk Advisory & Marketing Services Private Limited<br>• Kent Resorts Private Limited<br>• Mercator Oil & Gas Limited<br>• Brightstar Broadband Private Limited<br>• Rock Stone Finlease Private Limited<br>• Media Capital Company (India) Private Limited<br>• II5 Technologies Private Limited<br>• Shaffer India Private Limited<br>• Trilogy Media Private Limited |
| List of other committees in which Director is member / chairman (includes all chairmanships / memberships of Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee of all public limited companies) | • Mercator Limited – Member of Audit Committee<br>• Mercator Petroleum Limited – Member of Audit Committee<br>• Mercator Oil & Gas Limited – Member of Audit Committee |
| Number of shares held in the Company | Nil |
| Relationship with other Directors / Key Managerial Personnel | Not related to any Director / Key Managerial Personnel |
| Number of Board Meetings attended during the financial year:<br>2018-19<br>2019-20 | <br>3<br>2 |

AWAKE ALWAYS

# ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED

**CIN:** L32109MH1994PLC083391
**Regd. Office:** 501, Silver Metropolis, Western Express Highway, Goregaon (East), Mumbai 400063.
**Tel.:** 22 4290 4290 l **Fax:** 22 4290 4291 l **Email:** investors@zicom.com l **Website:** www.zicom.com

# ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED

CIN: L32109MH1994PLC083391
Regd. Office: 501, Silver Metropolis, Western Express Highway, Goregaon (East), Mumbai 400063.
Tel.: 22 4290 4290 | Fax: 22 4290 4291 | Email: investors@zicom.com | Website : www.zicom.com

AWAKE ALWAYS

## POSTAL BALLOT FORM

**Sr. No.:**

| | | | |
|---|---|---|---|
| 1. | Name and registered address of the sole / first named Member and Joint Member(s), if any (in block letters) | : | |
| 2. | Registered Folio No. / DP ID No. / Client ID No.* (*Applicable to investors holding shares in dematerialized form) | : | |
| 3. | Number of Equity Share(s) held | : | |

I / We hereby exercise my / our votes in respect of the Special Resolutions to be passed through Postal Ballot for the businesses stated in the Postal Ballot Notice dated October 25, 2019 of the Company by conveying my / our assent (FOR) or dissent (AGAINST) to the said Resolution(s) by placing a tick mark (✓) at the appropriate box below:

| Resolution No. | Description | No. of Equity Shares | I / We assent to the Resolution (FOR) | I / We dissent to the Resolution (AGAINST) |
|---|---|---|---|---|
| 1. | Approval for sale of 100% stake held by the Company, along with the undertaking / business of its wholly owned and material subsidiary Zicom SaaS Private Limited. | | | |
| 2. | Approval for assignment by way of transfer, assignment and / or sale of the Trademark and Domain Name 'Zicom'. | | | |
| 3. | Approval for sale of immovable properties of the Company. | | | |
| 4. | Approval for sale of shares held by the Company in Unisafe Fire Protection Specialists LLC, Dubai, a step down subsidiary of the Company, directly and through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; alongwith the business of Unisafe Fire Protection Specialists LLC, Dubai. | | | |
| 5. | Approval for sale of shares held by the Company in Phoenix International WLL, Qatar, a step down subsidiary of the Company, directly and through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; along with the business of Phoenix International WLL, Qatar. | | | |
| 6. | Approval for re-appointment of Mr. Anil Khanna as an Independent Director of the Company for a second term. | | | |

Email ID: _____
(Company may use this Email ID for future communication)

Place: _____

Date: _____

_____
(Signature of the Member)

## Electronic Voting Particulars

| Electronic Voting Event Number (EVEN) | User ID | Password |
|---|---|---|
| | | |

**Note:** Please carefully read the instructions printed overleaf before exercising your vote.

# ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED

CIN: L32109MH1994PLC083391
Regd. Office: 501, Silver Metropolis, Western Express Highway, Goregaon (East), Mumbai 400063.
Tel.: 22 4290 4290 | Fax: 22 4290 4291 | Email: investors@zicom.com | Website : www.zicom.com

AWAKE ALWAYS

## INSTRUCTIONS

1. A Member desiring to exercise vote by physical Postal Ballot may complete this Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed postage prepaid envelope. However, any envelope containing Postal Ballot Form, if deposited in person or if sent by courier at the expense of the Member will also be accepted. The Company is also offering remote e-voting facility, as an alternate, for all the Members to enable them to cast their vote electronically instead of dispatching Postal Ballot Form. The detailed procedure is enumerated in the Notes to the Postal Ballot Notice.
2. A Member can opt only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the Note No.12 appended to the Postal Ballot Notice.
4. The self-addressed postage prepaid envelope bears the address of the Scrutinizer. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
5. This Postal Ballot Form should be duly completed and signed by the Member. In case of joint holding, this Form should be completed and signed (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), by the first named Member and in his absence, by next named Joint Member, if any. Where an authorized representative of a body corporate / trust has signed the Postal Ballot Form, a certified copy of the relevant authorization to vote on the Postal Ballot should accompany the Postal Ballot Form. Where the Form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form. A Member may sign the Postal Ballot Form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
6. Unsigned, incomplete, improper or incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final and binding.
7. The Postal Ballot shall not be exercised by a proxy. There shall be one Postal Ballot for every folio, irrespective of the number of Joint Member(s). Voting rights shall be reckoned on the paid-up value of the shares registered in the name of Member whose name appears in the Register of Members / Record of Depositories as on October 18, 2019 (cut-off date). As the present face value of the Company's share is Rs. 10/-, a holder of each fully paid share of Rs. 10/- shall be entitled to one vote.
8. Kindly ensure that duly completed Postal Ballot Form reaches the Scrutinizer not later than 5:00 p.m. on December 1, 2019. Any Postal Ballot Form received after this date and time will be strictly treated as if the reply from the Member has not been received.
9. A Member may request for a duplicate Postal Ballot Form, if so required or can download from the Company's website. However, the duly filled-in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified under instruction 8 above.
10. Members from whom no Postal Ballot Form is received or received after the date and time specified under instruction 8 above, shall not be counted for the purposes of passing of the Resolution(s).
11. A Member need not use all his votes nor he need to cast all his votes in the same way.
12. The Results of the Postal Ballot will be announced not later than December 3, 2019 at 5:00 p.m. at the Registered Office of the Company at 501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai 400063 and will also be informed to the Stock Exchanges, and posted on the Company's website www.zicom.com and on the website of CDSL viz. www.evotingindia.com.
13. Votes will be considered invalid inter alia, on the following grounds:
    a) A Postal Ballot Form other than one issued by the Company has been used.
    b) If the Member's signature does not tally with the specimen signature registered with the Depositories / Registrar / Company.
    c) If the Member has marked all his shares both in favour and also against the Resolution.
    d) If neither assent nor dissent is mentioned.
    e) If the Postal Ballot Form is unsigned.
    f) If the Postal Ballot Form is received in torn or defaced or mutilated condition 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 on one or more such grounds.
    g) If the Postal Ballot Form is received in such a state that it is incomplete, or incorrect, or otherwise it is not possible to assess the Member's intention to vote.
    h) Any competent authority has given directions in writing to the Company to freeze the Voting Rights of the Member.
    i) The envelope containing the Postal Ballot form is received after the last date prescribed.
    j) The Postal Ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority.
    k) Member has made any amendment to the resolution or imposed any condition while exercising his vote.