

ZENITH INFOTECH LIMITED

**MINUTES OF THE 16TH ANNUAL GENERAL MEETING OF THE COMPANY
HELD AT 11.30 A.M. ON THURSDAY, 28TH MARCH, 2013 AT THE
AUDITORIUM OF HOTEL ABBOT, SECTOR 2, NEAR VASHI BUS STATION,
VASHI, NAVI MUMBAI 400 703.**

**DIRECTORS PRESENT : MR. RAJKUMAR SARAF - CHAIRMAN (IN THE
CHAIR)**

MR. VIJAY MUKHI
MR. VIPIN M. SHAH
MR. AKASH SARAF (MANAGING DIRECTOR)

MEMBERS PRESENT IN PERSON : 94
MEMBERS PRESENT BY PROXY : 04

1. CHAIRMAN'S OPENING REMARKS

The Chairman, Mr. R K Saraf, welcomed the members to the 16th Annual General Meeting of the Company and noted that the requisite quorum was present. He called the meeting to order and suggested that the Notice convening the 16th Annual General Meeting of the Company be taken as read.

Thereafter on the suggestion of the members present, the Notice convening the 16th Annual General Meeting was taken as read.

2. REGISTER OF DIRECTORS' SHAREHOLDINGS

The Chairman announced that the Register of Directors' shareholdings maintained under Section 307 of the Companies Act, 1956 was open for inspection of the members.

3. PROXIES

The Chairman informed the meeting that the Company received four (4) valid proxies for 15,00,082 Shares. He then requested Dr. V.G. Chari, the Company Secretary, to read the Auditors' Report to the Shareholders for the year ended 30th September, 2012.

4. AUDITORS' REPORT

Dr. V.G. Chari, the Company Secretary, read out the Auditors' Report.

5. CHAIRMAN'S STATEMENT

The Chairman then addressed the members of the Company on the current year's performance of the Company and the future prospects in the light of the world economic and political scenario and the Indian markets. He also dwelt at length on the Company's products, TigerCloud and a new version of its BDR product line, called BDR-G12. BDR-G12 has been well received by the customer base of the Company.

The Chairman, in his address, made special mention of the newspaper report of 26th March, 2013 in 'The Economic Times' of the ex-parte Interim Order dated 25th March, 2013 of the Securities and Exchange Board of India (SEBI) in respect of the Company's

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For ZENITH INFOTECH LTD.

V. G. Chari
Company Secretary.

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Issue of FCCBs of US \$ 83 million and restraining the Promoter group from, inter alia, buying, selling or dealing in the securities market till further directions. The Company and the promoter group have not received the purported Order till date. The Chairman mentioned that:-

- a. The Suits filed by some FCCB holders in September, 2011 against the Company regarding re-payment of the amounts relating to FCCBs, are pending in the Hon'ble Bombay High Court. The winding up petition has not yet been admitted by the Hon'ble High Court and are still in the initial stages, pending admission
- b. The matters referred to in the news report in 'The Economic Times' against the Promoters of your Company are sub-judice in the Bombay High Court.
- c. The Company and the promoters have been legally advised that the said SEBI Order is beyond the jurisdiction of SEBI as these matters are already pending before the High Court.
- d. The Company, its Promoters including the Promoter Companies did not violate any rule, regulation or any provision of the SEBI Act, its Rules and Regulations – the said Promoters have not done anything that would be construed as a violation under the SEBI Act. In fact the Company's Promoters have not dealt in the Company's Shares since the last 3 years and this position is reflected in the periodical filings with BSE and NSE.
- e. The Company and its Promoters and Directors have been complying strictly, with the various Statutes involving the Company's activities and the Company has been disseminating the requisite and timely information to the all Statutory Authorities as well the BSE and NSE in a time bound manner.
- f. The Company is challenging the said SEBI Order and is moving, inter alia, the Securities Appellate Tribunal for stay and setting aside the order.

6. ADOPTION OF DIRECTORS' REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 2012 - ORDINARY RESOLUTION

At the end of the Chairman's address, Mr. Z.I. Maniar moved the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED THAT the Profit and Loss Account for the year ended 30th September, 2012 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon be and are hereby received and adopted".

After the above Ordinary Resolution was duly seconded by Mrs. C.E. Mascarenhas the Chairman invited the members to raise any questions they might have on and pertaining to the Accounts of the Company for the year ended 30th September, 2012.

Z. I. Maniar, Mrs. Smita Shah, Mr. Tushar Sodha, Mr. Ronald Fernandez, Mrs. C.E. Mascarenhas, Mr. Behruze, Mr. Damodaran, Mr. Balakrishnan Choyan Kannothe, Mr. Kamat, Mr. Bharat Shah, Mr. A. Mascarenhas and Mr. R. M. Batliwala members of the

Chairman

For ZENITH INFOTECH LTD.

B. S. Chai

Company Secretary.

Company addressed the meeting regarding their following queries and made the following comments on the audited Accounts for the year ended 30.09.2012:-

- (i) Elaboration of the newspaper report, results are bad, details of investments, exports have fallen, performance of the Company's subsidiaries.
- (ii) Why are revenues less than last year, the location of the land mentioned in the revaluation, what is the litigation with BMC of Rs. 14.40 Lakhs, what and why is there a cash loss of Rs. 46 Crores.
- (iii) As regards Note 23 - Depreciation - wherein it was mentioned that the company has made a short provision of depreciation on Computers (Hardware and Software) amounting to Rs. 1773.38 lacs due to application of lower rates than what is prescribed in Schedule VI of the Companies Act and Note 34 (b) - Foreign Currency convertible Bonds - wherein it is stated that the coupon interest due from 1-10-2011 to 18-8-2012 amounting to Rs. 1896.26 lacs has not been provide - the impact of the these amounts on the profitability of the Company
- (iv) We thank the Company and the staff for mailing the Annual Report in good time; the Company should challenge the SEBI Order and get the Company's name and its promoters' names cleared; there should be photographs of Directors in the Annual Report; the Company should mention the e-mail id and the contact persons in the printed Annual Report; we wish the Company comes out of the FCCB matters like Wockhardt, etc.
- (v) What are TigerCloud and BDR products of the Company?
- (vi) The future performance of the Company in the next 5 years.

The Managing Director Mr. Akash Saraf replied to the queries relating to the Company's products TigerCloud and BDR products, the performance of the Company, subsidiaries; that the revenues were less than last year due to the erosion of the Company getting a bad press and consequently denting its brand value in the market place especially in the USA and Europe.

The Chairman replied to the other queries raised and the clarifications sought by the members, including the land revaluation, interest paid, depreciation, the amount paid so far to the FCCB holders, the BMC litigation as the claim of the BMC relating to property taxes in Mumbai which is sub-judice, the reason for the cash loss of Rs. 46 Crores and the future prospects of the Company in the next 5 years. The Chairman also stated the Company would be challenging the SEBI Order.

Thereafter, the Chairman put the resolution to vote on a show of hands and declared that the resolution was carried unanimously.

7. ELECTION OF DIRECTORS RETIRING BY ROTATION

The Chairman announced that in accordance with Article 143 of the Articles of Association of the Company, Mr. Vijay Mukhi, a Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

The following resolution was moved by Mr. R. M. Batliwala, as an ORDINARY RESOLUTION:-

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For CHAIRMAN

B. S. Chai
Chairman

: 4 :

"RESOLVED THAT Mr. Vijay Ram Mukhi, a Director of the Company, who retires by rotation at this Annual General Meeting, be and is hereby re-appointed as a Director of the Company".

The resolution was seconded by Mr. A. Mascarenhas and, on being put to vote on a show of hands, was carried unanimously.

8. APPOINTMENT OF AUDITORS

Mr. Yusuf Rangwala moved the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED THAT Messrs C. L. Khanna & Co., Chartered Accountants, Mumbai be and are hereby appointed the Statutory Auditors of the Company for the financial year 2012-2013 to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration to be decided by the Board of Directors of the Company".

The resolution was seconded by Mrs. Smita Shah and, on being put to vote on a show of hands, was carried unanimously.

The Chairman stated that he was interested in the next item of business and therefore requested Mr. Vijay Mukhi to Chair the meeting which he did.

10. Item No. 5 of the NOTICE: SPECIAL RESOLUTION

The Chairman requested a member to propose the resolution at item no. 4 of the Notice.

Mr. Bharat V. Shah proposed the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the conditions specified in Schedule XIII to the Companies Act, 1956, the Company hereby approves the remuneration of Mr. Akash Saraf as the Managing Director of the Company for a period 2 years with effect from 1st February, 2013 on the terms and conditions set out in the draft Agreement submitted to this Meeting and for identification signed by a Director of the Company, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter and or vary the terms and conditions of the said Agreement in such manner, from time to time, as may be agreed to between the Directors and Mr. Akash Saraf."

The resolution was seconded by Mr. Yusuf Rangwala and, on being put to vote on a show of hands, was carried unanimously.

Mr. Vijay Mukhi request Mr. R.K. Saraf to take the Chair which he did.

Proposed by Mr. Damodaran and seconded by Mr. Bharat Shah, the meeting terminated with a vote of thanks to the Chair.

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For ZENITH INFOTECH LTD

D. S. Chauhan
Company Secretary,

slh
CHAIRMAN