ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Members of Zicom Electronic Security Systems Limited will be held at Mumbai Cricket Association Recreation Centre, RG-2, G-Block, Bandra Kurla Complex, Mumbai 400051, on Friday, the 11th day of March, 2011, at 10.00 a.m., to transact the following business:

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as 'the Act'), consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to mortgage and / or charge, in addition to the mortgages / charges created / to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and / or immovable properties of the Company, in favour of the Lender(s) / Agent(s) and / or Trustee(s), for securing the borrowings of the Company availed / to be availed / by way of loan(s) (in foreign currency and / or rupee currency) and Securities (comprising Fully / Partly Convertible Debentures and / or Non-Convertible Debentures with or without detachable or non-detachable Warrants and / or Secured Premium Notes and / or Floating Rates Notes / Bond or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document(s) entered into / to be entered into between the Company and the Lender(s) / Agent(s) and / or Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) and / or Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or any of its duly authorised Committee be and are hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

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

"**RESOLVED THAT** pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), and / or subject to any other approvals, as may be required, the Company be and is hereby authorised to invest in one or more trenches, in securities of a proposed company Zicom SaaS Private Limited, upto a sum of ₹ 50,00,00,000/- (Rupees Fifty Crores only) including premium, whether by subscription / purchase or otherwise, notwithstanding that the aggregate of the loans and investments so far made in or to be made in and the guarantees so far given or to be given to all bodies corporate, exceeds the limits laid down by the Act.

RESOLVED FURTHER THAT the Board of Directors or any of its duly authorised Committee be and are hereby severally authorised to take from time to time, all decisions and steps necessary or expedient or proper in respect of the above investments, including the timing, the amount and the other terms and conditions of such investments and also to take all other decisions including varying any of them through recall, renewal, transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the limit specified above."

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

"**RESOLVED THAT** pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), and / or subject to any other approvals, as may be required, in addition to the investments held by the Company in Institute of Advanced Security Training and Management Private Limited, the Company be and is hereby authorised to further invest in one or more trenches, in securities of Institute of Advanced Security Training and Management Private Limited, upto a sum of ₹ 10,00,00,000/- (Rupees Ten Crores only) including premium, whether by subscription / purchase or otherwise, in addition to the limits already sanctioned, notwithstanding that the aggregate of the loans and investments so far made in or to be made in and the guarantees so far given or to be given to all bodies corporate, exceeds the limits laid down by the Act.

RESOLVED FURTHER THAT the Board of Directors or any of its duly authorised Committee be and are hereby severally authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investments, including the timing, the amount and the other terms and conditions of such investments and also to take all other decisions including varying any of them through recall, renewal, transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the limit specified above."

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

"**RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Malpani & Associates, Chartered Accountants, Mumbai, having Registration No. 120438W, be and are hereby appointed as Statutory Auditors jointly with the existing Statutory Auditors of the Company, M/s. Walker, Chandiok & Co, Chartered Accountants, Mumbai, to hold the office as such upto the conclusion of the next Annual General Meeting of the Company, on a remuneration (including terms of payment) to be fixed by the Board of Directors /Audit Committee of the Company, plus service tax and such other tax(es), as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company."

By Order of the Board of Directors
For **Zicom Electronic Security Systems Limited**

Date: February 14, 2011
Place: Mumbai

sd/-
Kunjan Trivedi
Company Secretary

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument of proxy, in order to be effective, must be deposited at the Company's Registered Office not less than forty-eight hours before the time of the Meeting. A proxy form is enclosed herewith.
3. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorising such representative to attend and vote on their behalf at the Meeting.
4. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business set out under Item Nos. 1 to 4 of the Notice is annexed hereto and forms part of this Notice.
5. Members, who hold shares in de-materialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the Meeting.
6. Members are requested to notify immediately any changes in their address to their respective Depository Participant (in case their shares are held in dematerialised form), or to the Registrar & Share Transfer Agents of the Company (in case their shares are held in physical form).
7. All documents referred to in the above Notice and Explanatory Statement will be available for inspection by the Members on all working days between 11.00 a.m. to 1.00 p.m., upto date of the Meeting and during the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 1:

The borrowings to be made by the Company are required to be secured by mortgage or charge. The mortgage or charge of any moveable or immoveable properties in whole or in part to secure any borrowings of the Company may be regarded as disposal of the Company's undertaking within the provisions of Section 293(1)(a) of the Companies Act, 1956. The Company may in its course of business approach various lenders for its fund requirements, who may require the Company to secure their financial assistance against the assets and properties of the Company. Hence it is thought prudent to obtain Members' approval under the said Section.

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

No Director of the Company is in any way concerned or interested in the said Ordinary Resolution.

Item Nos. 2 and 3:

As Members are aware, the Company has announced its plans to venture into new businesses such as managed security services to safeguard remote assets like telecom towers, windmills and other assets. In this regard, the Company is in process of setting up a subsidiary to manage this key business. Also, the Company has plans to foray into education business, for which it had supported setting up of advanced security training institute by name "Institute of Advanced Security Training and Management Private Limited". In order to drive the businesses under these entities, it is necessary to make further investments and therefore, it is thought prudent to increase the limit for making investments by the Company, as proposed in the Special Resolutions at Item Nos. 2 and 3 above.

As per the provisions of Section 372A of the Companies Act, 1956, investments by a body corporate in other bodies corporate (other than in its wholly owned subsidiary), shall not exceed 60% of its paid-up capital and free reserves, or 100% of its free reserves, whichever is more.

The said resolutions seeks approval from the Members for increasing the limit of making further investments by the Company in securities of the respective companies to the extent of limits mentioned against each of their names, even if such an increase exceeds the limits mentioned under the Companies Act, 1956, and other statutory provisions. Therefore, in accordance with requirements of Section 372A of the Companies Act, 1956, approval of the Members is being sought for making the investments by the Company.

Particulars of company-wise break up of proposed investments are as mentioned in the table below:

Name of the Investee Company	Investments as on date (in ₹) & % of Holding	Amount of Proposed Investment (in ₹)	Principal Business of the Investee Company	Purpose of investment	Source of funds	Nature of concern / interest of Director
Zicom SaaS Private Limited	Nil as the company is under the process of incorporation	50.00 Crores	Providing managed security services to remote infrastructure such as Base Tower Stations, windmills, etc.	A good investment opportunity	Internal sources / borrowings	No other Directors, except Mr. Manohar Bidaye and Mr. Pramoud Rao, who are also proposed as Nominee Directors on the Board of proposed company, are interested or concerned in the resolution.
Institute of Advanced Security Training and Management Private Limited	12.00 Lakhs* & 17.14% *Equity Investment	10.00 Crores	Imparting world class quality training and education, in security, safety and loss prevention.	A good investment opportunity	Internal sources / borrowings	No other Directors except Mr. Manohar Bidaye, who is common Director, and Mr. Manohar Bidaye and Mr. Pramoud Rao and their controlled entities as shareholders, are interested or concerned in the resolution.

The Board of Directors of the Company recommends passing of the Special Resolutions as set out at Item Nos. 2 and 3 of the Notice for your approval.

Item No. 4 :

With the changing business scenario for the Company and its subsidiaries, there have been changes in the nature and volume of accounting and financial transactions and its business needs. With a view to meet the changed business needs and ensure all compliances, it is proposed by the Board to appoint M/s. Malpani & Associates, Chartered Accountants, Mumbai (having Registration No. 120438W), as Statutory Auditors of the Company, jointly with the existing Statutory Auditors M/s. Walker, Chandiok & Co, Chartered Accountants, to conduct the statutory audit of the accounts of the Company for the financial year 2010-2011. The scope of work and the responsibility of both the Auditors may be decided in consultation with them by the Audit Committee of the Company.

In view of the proposal of the Board to appoint M/s. Malpani & Associates, Chartered Accountants, as Statutory Auditors jointly with the existing Statutory Auditors M/s. Walker, Chandiok & Co, Chartered Accountants, approval of the Members of the Company is sought for the same vide Ordinary Resolution at Item No. 4 of the Notice; as joint Statutory Auditors can be appointed by the Company with the approval of Members.

The Board of Directors of the Company is of the view that the appointment of M/s. Malpani & Associates, Chartered Accountants, as Statutory Auditors of the Company, jointly with the existing Statutory Auditors M/s. Walker, Chandiok & Co, Chartered Accountants, will be in the interest of the Company; and therefore recommends the same for your approval as proposed vide Ordinary Resolution at Item No. 4 of the Notice. Upon their appointment, M/s. Malpani & Associates, Chartered Accountants, will hold their office as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting. The Company has received consent and eligibility certificate from M/s. Malpani & Associates, Chartered Accountants, to act as Statutory Auditors of the Company jointly with the existing Statutory Auditors M/s. Walker, Chandiok & Co, Chartered Accountants; in accordance with the requirements specified under Section 224(1B) of the Companies Act, 1956.

None of the Directors of the Company is in anyway concerned or interested in the proposed Ordinary Resolution under this Item.

By Order of the Board of Directors
For **Zicom Electronic Security Systems Limited**

Date: February 14, 2011
Place: Mumbai

sd/-
Kunjan Trivedi
Company Secretary

Registered Office:
501, Silver Metropolis,
Western Express Highway,
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