



### Summary Terms & Conditions

Issuer .....	Zenith Infotech Ltd., a public company incorporated in and subsisting under the laws of the Republic of India with limited liability
Issue .....	US\$30,000,000 unsecured foreign currency convertible bonds due 2011 (the "Bonds").
Issue Price .....	The Bonds will be issued at 100% of their principal amount.
Issue Date .....	20 <sup>th</sup> September 2006
Maturity Date .....	21 <sup>st</sup> September 2011 (5 years and 1 day)
Option for Additional Bonds .....	The Issuer has granted to the Manager an option exercisable in whole or in part and on one or more occasions at any time prior to the date which is 30 days from the Closing Date, to purchase or procure purchasers for up to an additional US\$3,000,000 principal amount of the Bonds (the "Optional Bonds")
Interest Rate .....	The Bonds will bear interest at a rate of 3.0% per annum payable semi-annually in arrears on six months and 12 months of each year. The first interest payment shall be made on 20 <sup>th</sup> March 2007.
Yield-to-Maturity .....	The Bonds have a yield to maturity of 8.25% (compounded semi-annually)
Redemption at Maturity .....	Unless previously converted, redeemed or cancelled, the Issuer will redeem each Bond at 131.721% of its principal amount on the Maturity Date.
Status of the Bonds .....	The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations
Conversion Right .....	Except during certain Closed Periods, the Bonds are convertible by holders of the Bonds (the "Bondholders") into fully paid equity shares of the Issuer with full voting rights with par value Rs.10 per share of the Issuer (the "Shares") or into cash as per Condition 6.2 of the Terms and Conditions at any time on or after 20 November 2006 (or such earlier date as is notified to the Bondholders by the Issuer) and prior to the close of business on 21 August 2011, unless previously redeemed, converted or cancelled.
Conversion Price .....	The conversion price at which the Bonds may be converted into Shares (subject to adjustment in the manner provided in the "Terms and Conditions of the Bonds") (the "Conversion Price") will initially be Rs.326.70 per Share, with a fixed rate of exchange on conversion of Rs.46.1350 = US\$1.00. The Conversion Price will be reset downwards, by up to 10% of the initial Reference Price of Rs.297 on 20 June 2007 and by up to 25% of the initial Reference Price of Rs.297 on each of 20 March 2008, 20 December 2008 and 20 September 2009, if the VWAP of the 10 consecutive Trading Days before the reset date is less than the Conversion Price. The Conversion Price may not be reset below 75% of the initial Reference Price.
Adjustment to Conversion Price .....	The Conversion Price of the Bonds will be adjusted if certain events occur after the Issue Date, including upon (i) a/any bonus issues of shares, (ii) a/any free distribution of shares, (iii) a/any

sub-division, consolidations and reclassification of shares, (iv) the issue of rights to acquire shares, (v) the issue of warrants at a discount to the prevailing market price, (vi) the issue of convertible bonds and exchangeable bonds at below market price and (vii) the issue of shares at below market price.

Trust Deed .....	The Bonds will be issued under the trust deed, to be dated as of on or about 20 September 2006 (the "Trust Deed") between the Issuer and The Bank of New York, London branch.
Redemption at the Option of the Issuer .....	The Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time on or after 20 September 2009 and prior to 20 September 2011, subject to satisfaction of certain conditions, at the Early Redemption Amount (as defined in the Terms and Conditions) if the Aggregate Value for the 15 consecutive Trading Days immediately prior to the date on which notice of such redemption is published, is greater than 150% of the Early Redemption Amount then in effect converted into US dollars at the rate of Rs.46.1350 = US\$1.00. The Bonds may be redeemed, in whole but not in part, at any time during such period at the option of the Issuer, subject to the satisfaction of certain conditions, at the Early Redemption Amount if 10% or less in aggregate principal amount of the Bonds issued (including such principal amount of the Bonds issued pursuant to the Option for Additional Bonds) remains outstanding.
Restrictive Covenant .....	The Terms and Conditions of the Bonds will contain a covenant that will limit the ability of the Issuer to incur additional indebtedness without the prior approval of Bondholders if the leverage ratio (total debt divided by the trailing twelve months consolidated EBITDA) is more than three times
Redemption for Taxation .....	The Bonds may be redeemed at the option of the Issuer, in whole but not in part, subject to the satisfaction of certain conditions, including obtaining Reserve Bank of India ("RBI") approval, at the Early Redemption Amount on the date fixed for redemption in the event of certain changes affecting taxes as specified in "Terms and Conditions of the Bonds — Redemption for Taxation Reasons".
Redemption of Bonds in the Event of Delisting .....	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE or the NSE (a "Delisting"), each Bondholder shall have the right, at such Bondholder's option, to require the Issuer to redeem all of such Bondholder's Bonds at the Early Redemption Amount. See "Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption of Bonds in the Event of Delisting".
Redemption of Bonds in the Event of Change of Control .....	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, cancelled or converted, each Bondholder shall have the right, at such Bondholder's option, upon the occurrence of certain Change of Control events to require the Issuer to either convert all of such Bondholder's Bonds at the prevailing conversion price or redeem all of such Bondholder's Bonds at the Redemption Amount. See "Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption of Bonds in the Event of a Change of Control".
RBI Approval Required for Redemption .....	Under current regulations of the RBI applicable to convertible bonds, the Issuer will require the prior approval of the RBI before providing notice for or effecting any redemption or repurchase of the Bonds prior to the Maturity Date.
Form and Denomination of Bonds .....	The Bonds will be issued in registered form in denominations of US\$10,000 each or integral multiples thereof. The Bonds will be represented by the Global Certificate which on the Issue Date will be deposited with, and registered in the name of a nominee of a common depository for, Euroclear Bank SA/NV and Clearstream, Luxembourg, société anonyme (collectively, the "Clearing Systems").



Share Ranking .....	Shares issued upon conversion of the Bonds will be fully paid with full voting rights and will rank pari passu with the Shares in issue on the relevant Conversion Date. Shares shall not be entitled to any rights the record date for which preceded the relevant Conversion Date. See “Description of the Shares — Dividends” and “Terms and Conditions of the Bonds—Conversion”.
Market for the Shares, Listing and Share Ownership Restrictions .....	The outstanding Shares of the Issuer are listed on the BSE and the NSE and an application has been made to list the Shares issuable on conversion of the Bonds on the BSE and the NSE. There are certain restrictions applicable to investments in shares and other securities of Indian companies, including the Shares, by persons who are not residents of India. See “Appendix B — Foreign Investment and Exchange Controls”.
Clearance .....	The Bonds will be cleared through the Clearing Systems. The Clearing Systems each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.
Global Certificate .....	For as long as the Bonds are represented by the Global Certificate, and the Global Certificate is held by a common depository for the Clearing Systems, payments of principal and premium in respect of the Bonds represented by the Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Paying Agent for such purpose. The Bonds that are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.
Indian Taxation .....	Payments of premium and interest on the Bonds made by the Issuer will be made after deduction or withholding in respect of Indian taxation to the extent required by law. The Issuer will gross up the net taxable amount and will be required to account separately to the Indian tax authorities for any withholding taxes applicable to payments attributable to such tax except as provided in Condition 10 of the Terms and Conditions. The Bonds will have the benefit of the tax concessions available under the provisions of Section 115AC of the Income Tax Act, as amended, of India. Under current Indian laws, tax is not payable by the recipients of dividends on shares.
Selling Restrictions .....	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, the United Kingdom, the United States, India, Switzerland, Singapore, France, Hong Kong and Germany. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “Subscription and Sale”.
Listing .....	Application has been made for the listing of the Bonds on the Singapore Stock Exchange. The Bonds will trade on the Singapore Stock Exchange in a minimum lot size of US\$200,000 so long as any of the Bonds remain listed on the Singapore Stock Exchange. The Company has applied for the in-principle approval for the Shares issuable upon conversion of the Bonds to be listed on the BSE and NSE.
Trustee .....	The Bank of New York, London branch.
Principal Paying and Conversion Agent .....	The Bank of New York, London branch.
Registrar .....	The Bank of New York
Governing Law .....	The Bonds will be governed by, and construed in accordance with, English law.
Use of Proceeds .....	The net proceeds of the issue of the Bonds (after the deduction of fees, commissions and expenses) are expected to be approximately US\$28.8 million and will be used by the Issuer as



set out in "Use of Proceeds". The use of the net proceeds shall be in accordance with the end-use restrictions specified by the RBI and the Indian Government.

Bond Identifiers..... ISIN: XS0267234341  
Common Code: 026723434

Government of India  
Approvals ..... The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended and the RBI Master Circular on External Commercial Borrowings dated 1 July 2006 permit Indian companies to issue foreign currency convertible bonds up to US\$500 million under the "automatic route" (i.e. without the prior approval of the RBI), subject to compliance with certain conditions specified therein. The Issuer is undertaking the present issue of the Bonds in accordance with the guidelines and regulations described above.

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