



**ZENU INFOTEC LIMITED**

**18th Annual Report**

**2009 - 2010**

# ZENU INFOTEC LIMITED

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<b>Board of Directors</b>	Mr. Padamchand Dhoot	(Chairman cum Managing Director)
	Mr. Pankaj Dhoot	(Director)
	Mr. Kamal Poddar	(Non-Executive and Nominee Director)
	Mr. Devendra Deshmukh	(Independent and Non-Executive Director)
	Mr. Ashish Gupta	(Independent and Non-Executive Director)
	Mr. Amol Pande	(Independent and Non-Executive Director)
	Mr. Has Mukh Mehta	(Independent and Non-Executive Director)
	Mr. Anil Goyal	(Non-Executive Director)

<b>Bankers</b>	Rameshwar Co-Op Bank Ltd HDFC Bank Ltd.
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<b>Auditors</b>	Shyam C. Agrawal & Co. Chartered Accountants Mumbai – 400072
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<b>Share Transfer Agent</b>	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup West, Mumbai – 400 078. Ph. 2596 3838/Fax: 25946969 E-mail: Mumbai@linkintime.co.in
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<b>Registered Office</b>	202, Chartered House, Dr. C.H. Street, Marine Lines, Mumbai - 400 002. Ph. 4355 2100 /Fax: 2206 8600
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## DIRECTOR'S REPORT

### **To the Members of Zenu Infotec Limited**

If the events of the last two years have brought us face to face with one reality, it is that enterprises need to be made future-proof. Even if the worst of times is behind us, the best of times will be ours only if we can seize the right opportunities.

We hope to see you in a better tomorrow.

The Directors have the pleasure in presenting the Eighteenth Annual Report on the business and operations of the Company together with the audited statement of accounts for the year ended March 31, 2010.

### **Performance of the Company**

Fiscal 2010 was a tough year for the industry. The economic environment became challenging in all the major markets where we operated.

Our consolidated revenues for fiscal 2010 stood at Rs. 27.11 Lacs, as compared to Rs. 33.53 Lacs in 2008-09. The profit after tax and exceptional item for the year stood at Rs. 5.32 Lacs, as compared to Rs. 8.62 Lacs in 2008-09.

Closing a challenging year, we raise a toast to all our stakeholders who have always stood by us: You, our shareholders, clients, partners and employees. We thank you for your continued support and look forward to the same in the future.

### **Dividend**

In order to conserve the resources, Your Directors did not recommend dividend for the year ended March 31, 2010.

### **Public Deposits**

During 2009-10, Your Company has not accepted any deposits from the public within meaning of Section 58A of the Companies Act, 1956.

### **Change in Registered Office**

During the year your company has shifted its registered office from: Shop No.4, Prathmesh Leela, New Link Road, Opp. Don Bosco School, Borivali (West), Mumbai to 202, Chartered House, Dr. C. H. Street, Marine Lines, Mumbai - 400002.

### **Listing of Shares**

The Equity Shares of your Company are listed on the Bombay Stock Exchange Limited.

## **Directors**

Following are the changes in the Directors of the company:-

- Mr. Kamal Poddar was appointed as nominee director of Choice International Limited at the Board Meeting held on February 16, 2010.
- Mr. Devendra Deshmukh, Mr. Ashish Gupta and Mr. Amol Pande were appointed as additional directors of the Company at the Board Meeting held on February 16, 2010.
- Mr. Rameshwar Modi and Mr. Ramawatar Shekhawat has resigned from the Board of Directors w.e.f. April 15, 2010. The Board places on record its sincere appreciation of the valuable services rendered by them during their tenure as the Director of the Company.
- Mr. Hasmukh Mehta and Mr. Anil Goyal, were appointed as Additional Directors of the Company at the Board meeting held on April 15, 2010.
- Mr. Pankaj Dhoot retires by rotation and being eligible, offers for re-appointment. Pursuant to clause 49(g) (1) of the Listing Agreement with the Stock Exchanges, brief resume of the Directors being reappointed has been provided in the Notice convening the Annual General Meeting.

## **Management Discussion and Analysis**

### **Overview**

Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

### **A. Industry structure and developments**

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. Companies are focusing on their core competencies and are using outsourced technology service providers to adequately address these needs.

The role of technology has evolved from supporting corporations to transforming them. There is an increasing need for highly skilled technology professionals in the markets in which we operate. At the same time, corporations are reluctant to expand their internal IT departments and increase costs.

### **1. Evolution of technology outsourcing**

The realm of technology outsourcing is changing. In an environment of rapid technological change, globalization and regulatory changes, companies are looking at outsourcing approaches that require their technology service providers to develop specialized systems, processes and solutions along with cost-effective delivery capabilities.

## **2. Internal Controls and their Adequacy**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded and reported correctly.

### **Key Risks and its Management**

The goal of Risk management is to improve the quality and consistency of the Company's earnings from the financing business and to minimize losses. This is achieved by identifying risk and controlling it at the earliest.

### **Auditors' Report**

The Auditors Report to the shareholders does not contain any qualifications hence does not require any comments on the same. A company, whose securities are listed on the Stock Exchanges, is compulsorily required to follow the accounting standards prescribed by the Institute of Chartered Accountants of India.

### **Auditors**

M/s. Shyam C. Agarwal & Co., Chartered Accountants, the Statutory Auditor of the company will retire at the conclusion of the ensuing Annual General Meeting and they have expressed his unwillingness to be reappointed as an auditor. In this regard the company has received a notice from a shareholder proposing the name of M/s. A. P. Sanzgiri & Co. Chartered Accountants, as auditor in place of M/s. Shyam C. Agarwal & Co., Chartered Accountants. Members may consider the appointment of M/s. A. P. Sanzgiri & Co., Chartered Accountants as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting to the conclusion of next Annual General Meeting.

### **Particulars of Employees**

There were no employees drawing remuneration more than prescribed under Section 217(2A) of the Companies Act, 1956.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

In view of the nature of activities which are being carried on by the company, Rules 2A and 2B of the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the company.

Further, there were no foreign exchange earnings or outgo during the year under review.

### **Corporate Governance**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the corporate governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are given as an annexure to this report.

We have documented our internal policies on corporate governance. In line with the committee's recommendations, the Management's discussion and analysis of the financial position of the Company is provided in this Annual Report.

### **Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. The Directors have been selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010, and of profit of the Company for the said period.
- iii. The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting fraud and other irregularities; and
- iv. The Directors have prepared the accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

### **Acknowledgement**

The Board of Directors wishes to place on record appreciation for the continued support and co-operation extended by Banks, Securities and Exchange Board of India, the Reserve Bank of India, the Stock Exchanges, other government authorities and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company. We look forward to continued support of all these partners in progress.

**On behalf of the Board of Directors**

**Sd/-**

Mumbai,

**Padamchand Dhoot**

September 2, 2010

Managing Director

## **Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To

The Members of Zenu Infotec Limited

We have examined the compliance of conditions of Corporate Governance by Zenu Infotec Limited for the year ended 31 March 2010, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that further compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **SHYAM C. AGRAWAL & CO.**  
Chartered Accountants

Sd/-

**S.C. AGRAWAL**  
**(PROPRIETOR)**  
M. No.31774

Mumbai, September 2, 2010

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## **Certificate by the Managing Director on Code of Conduct**

To

The Members of Zenu Infotec Limited

I, Padamchand Dhoot, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed the compliance of the code of conduct.

For **Zenu Infotec Limited**

Sd/-

**Padamchand Dhoot**  
Managing Director  
Mumbai, September 2, 2010



## CORPORATE GOVERNANCE

### **Our Governance Philosophy:**

Corporate Governance is not merely compliance – it involves leveraging the Company's resources and aligning its activities to consumer needs shareholder benefits and employee growth, thereby delighting all its stakeholders while minimizing risk.

The Company believes that to succeed, an organization must maintain global standards of corporate conduct towards all its stakeholders. The Company believes that it is rewarding to be better managed and governed and to identify and align its activities with the national interest. To that end, we as a Company have always focused on good corporate governance a key driver of sustainable corporate growth and long-term value creation.

### **Board of Directors:**

- 1) The Company has an Executive Chairman, and thus, 50% of the total numbers of Directors are independent. The management of the Company is headed by the Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the action and results of management to ensure that the long term objectives of enhancing stakeholder value are met.
- 2) “Independent Directors”, i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgment of the Board, may affect the independence of the Director, comprise over half of the Board.
- 3) The Composition and Categories of Directors for the period April 1, 2009 to March 31, 2010 is as follows:

Name	Category
Mr. Padamchand Bhanwarlal Dhoot	Chairman & Managing Director
Mr. Pankaj Padamchand Dhoot	Executive Director
Mr. Rameshwar Prasad Modi*	Non Executive and Independent
Mr. Ramawatar Singh Shekhawat*	Non Executive and Independent
Mr. Kamal Poddar <sup>1</sup>	Nominee Director
Mr. Devendra Deshmukh <sup>2</sup>	Non Executive and Independent
Mr. Ashish Gupta <sup>2</sup>	Non Executive and Independent
Mr. Amol Pande <sup>2</sup>	Non Executive and Independent

\* Mr. Rameshwar Modi and Mr. Ramawatar Shekhawat has resigned from the Board with effect from April 15, 2010.

1. Mr. Kamal Poddar has been appointed as Nominee director on Board with effect from February 16, 2010

2. Mr. Devendra Deshmukh, Mr. Ashish Gupta and Mr. Amol Pande has been appointed as Additional director on Board with effect from February 16, 2010

3. Mr. Hasmukh Mehta and Mr. Anil Goyal has been appointed as additional director on Board with effect from April 15, 2010

- 4) During the year under review, the Board of Directors of the Company met Six times and the period between any of the two meetings did not exceed three months. The dates for the Board Meeting held during the each quarter are as follows:

No.	Date of Meeting	For the Quarter
1.	June 30, 2009	April to June
2.	July 31, 2009	July to September
3.	September 1, 2009	July to September
4.	October 30, 2009	October to December
5.	January 30, 2010	January to March
6.	February 16, 2010	January to March

As required under Annexure I to Clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

The attendance of each Director at the Board Meetings and the last Annual General Meeting:

Name of the Director	No of the Board Meetings		Attendance at Last AGM
	Held	Attended	
Mr. Padamchand Bhanwarlal Dhoot	6	6	Yes
Mr. Pankaj Padamchand Dhoot	6	6	Yes
Mr. Rameshwar Prasad Modi*	6	4	Yes
Mr. Ramawatar Singh Shekhawat*	6	5	Yes
Mr. Kamal Poddar <sup>1**</sup>	6	1	No
Mr. Devendra Deshmukh <sup>1</sup>	6	1	No
Mr. Ashish Gupta <sup>1</sup>	6	1	No
Mr. Amol Pande <sup>1</sup>	6	1	No

\*Mr. Rameshwar Modi and Mr. Ramawatar Shekhawat has resigned from the Board with effect from April 15, 2010

\*\* Mr. Kamal Poddar has been appointed as Nominee director on Board with effect from February 16, 2010.

1. Mr. Kamal Poddar, Mr. Devendra Deshmukh, Mr. Ashish Gupta and Mr. Amol Pande has been appointed as Additional director on Board with effect from February 16, 2010

2. Mr. Hasrnuh Mehta and Mr. Anil Goyal has been appointed as additional director on Board with effect from April 15, 2010

- 5) None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the Listing Agreement, 'Committees' for this purpose include the Audit Committee and the Shareholders'/Investor Grievance Committee under the said Clause 49 of the Listing Agreement. The Details of the committee memberships of the Board of Directors are given below: