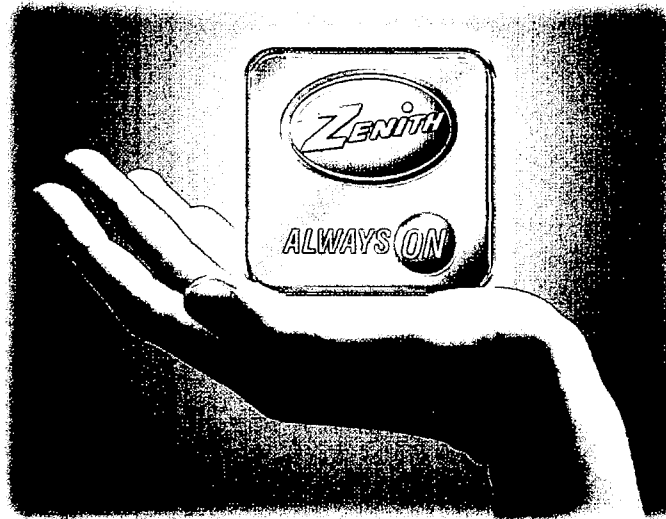


Abridged

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2007-08





At Zenith, we are always on, so that you never stop on the road to progress

- ☐ More than a million computers sold in 28 years
- ☐ Product excellence through latest technology, continuous innovation & quality control
- ☐ Personalized service with 24x7 onsite support
- ☐ Products at affordable prices. Get Zenith on your side. Reach for the very top.



Desktops & Laptops



Assured Minimum Downtime



Onsite Support



Award-winning Quality

28th ANNUAL REPORT 2007-08



ZENITH COMPUTERS LIMITED

28th Annual Report 2007-2008

DIRECTORS

R.K. Saraf
(Chairman & Managing Director)
H.P. Ranina
B.H. Antia
Vijay Ram Mukhi
Vijayrani Saraf

COMPANY SECRETARY

Ramesh S. Sanghvi
(Company Secretary & Compliance Officer)

BANKERS

Indian Bank
State Bank of India
Federal Bank Ltd.

AUDITORS

C.L. Khanna & Co.,
Chartered Accountants, Mumbai

REGISTRAR & TRANSFER & AGENTS

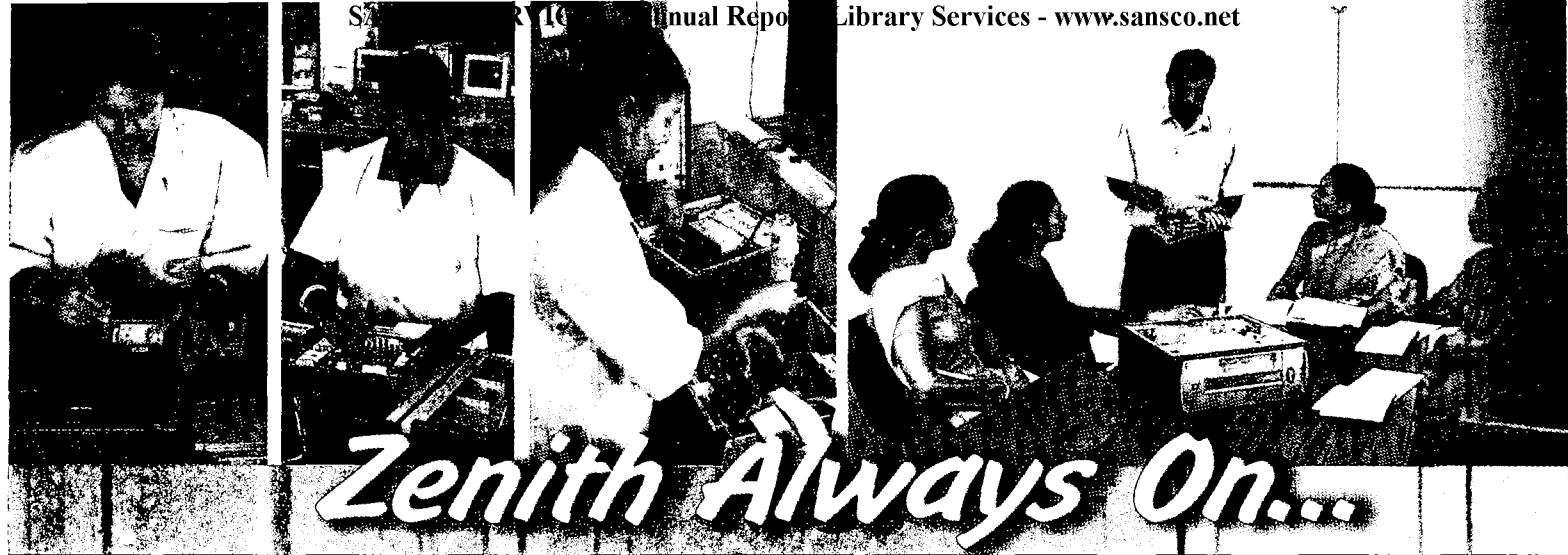
Intime Spectrum Registry Limited,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400 078.
Tel.: (022) 25963838
(Contact Person-Mrs. Sujata Poojary/
Mr. Mahadevan Iyer)
E-mail: sujata.poojary@intimespectrum.com
E-mail: mahadevan.iyer@intimespectrum.com

REGISTERED OFFICE

B-5, Electronic Sadan -1,
MIDC, TTC Area,
Mahape,
Navi Mumbai - 400 710
Email: shares@zenith-india.com

PLANT

Plot No. P-33/37,
Sancoale Industrial Estate,
P.O. Zuari Nagar,
Goa 403 726.



NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of **Zenith Computers Limited** will be held on **Saturday, 6th September, 2008 at 10.30 a.m.** at the Auditorium of **ICSI – Centre For Corporate Research & Training, Plot No.101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614**, to transact the following business :-

A. ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited Balance Sheet as at 31st March, 2008 and the audited Profit and Loss Account for the year ended on that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr. B.H. Antia who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Statutory Auditors and to fix their remuneration.

B. SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification, the following resolution:

5. 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 appointment of Mr. Raj Kumar Saraf as the Managing Director of the Company, for a period of 5 years from 31st October, 2007 to 30th October, 2012 and payment of remuneration to him for a period of three years from 31st October, 2007 to 30th October, 2010 upon terms and conditions as 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. Raj Kumar Saraf."

**By Order of the Board
For ZENITH COMPUTERS LIMITED**

MUMBAI

(R. K. SARAF)

2nd July, 2008

**CHAIRMAN &
MANAGING DIRECTOR**

NOTES :-

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form to be effective must be duly executed and signed and must be lodged at the company's registered office at least 48 hours before the time of the meeting.
- 2) The Register of Members and the Share Transfer Books of the Company would remain closed from Friday, 29th August, 2008 to Saturday, 6th September, 2008 (both days inclusive).
- 3) All matters in connection with the Shares of the Company may be addressed to the Company's Registrar and Transfer Agents viz. M/s. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078. Members are requested to quote their respective folio numbers / ISIN –ID numbers and notify the change of address, if any, to the Company's Registrar and Transfer Agents.
- 4) Shareholders desiring information as regards the accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.
- 5) Shareholders desiring payment of dividend by Electronic Clearing Service (ECS) are requested to furnish the Bank details in the ECS Mandate Form printed overleaf together with a Xerox copy

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of your cheque leaf and return to our Registrars, Intime Spectrum Registry Limited on or before 25th August, 2008, in case you hold shares in physical form. The said details in respect of the shares held in electronic form should be sent to your respective Depository Participant and not to the Registrar as the Registrar is obliged to use only the data provided by the Depository while making payment of dividend. Please mention the correct 9 digit MICR Code for giving the ECS credit to your account.

In case of receiving your request after the due date, the mandate will not be considered for this dividend. However, the same will be used for future dividend payments, unless the same is amended or revoked by you.

In the absence of adequate response from the shareholders of any particular centre(s), the Company reserves its right of paying the dividend by dividend warrants.

- 6) Item No. 3 – additional information required to be furnished under Clause 49 of the Listing Agreements with the Stock Exchanges:-

Mr. B.H. Antia is B.Sc. (Hons), LLB, aged about 75 years and is Director of 6 other Companies. He was appointed as a Director of Company in 1988 and continues to be a rotational director. He has over 50 years experience in legal matters as Solicitor and Advocate, Supreme Court of India.

DECLARATION STATEMENT PURSUANT TO SECTION 202 OF THE COMPANIES ACT, 1956 IN RELATION TO SPECIAL BUSINESS.

Item No. 5

The Remuneration Committee of the Board in its meeting held on 30th October, 2007 approved the re-appointment of Mr. Rajkumar Saraf as the Managing Director of the Company for a period of 5 years, from 31st October, 2007 to 30th October, 2012, on a remuneration determined at 5% of the net profits of the Company or Rs. 4,00,000/- per month (and commission @ 1% of the net profits); in case of insufficient or inadequate profits or loss made by the Company in any particular year, this remuneration except commission is the minimum

remuneration payable to Mr. Saraf. The Remuneration Committee of the Board approved the remuneration of Mr. Raj Kumar Saraf, of Rs. 4,00,000/- in accordance with the amended Schedule XIII to the Companies Act, 1956 and the said decision of the Remuneration Committee was confirmed by the Board in its meeting held on 30th October, 2007; the payment of this remuneration is now required to be approved as a Special Resolution by the Shareholders in the ensuing 28th Annual General Meeting (AGM). The draft Agreement between the Company and Mr. Raj Kumar Saraf, the Managing Director, contains the terms and conditions, the more important of which are as follows:-

1. Period of the Agreement for a period from 31st October, 2007 to 30th October, 2012.
2. Nature of Duties—
The Managing Director shall carry out such duties as are entrusted to him, subject to the supervision and control of the Board of Directors.
3. Remuneration—
 - a) Salary: 5% of the net profit of the Company subject to a substantive salary of Rs. 4,00,000/- per month.
 - b) Perquisites: In addition to the above, the Managing Director shall also be entitled to provident fund and superannuation fund benefits, the aggregate of which shall not exceed 25% of the salary, gratuity not exceeding 15 days salary for every completed year of service, 30 days leave for every completed year of service and encashment of leave at the end of the tenure.
 - c) Minimum Remuneration: Notwithstanding anything to the contrary contained herein where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the substantive salary and perquisites as specified above.

Zenith Always On...

4. The terms and conditions of the said appointment may be altered and/or varied from time to time by the Board as it may, in its discretion, deem fit, in accordance with Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard.
5. The Agreement may be terminated by either party giving to the other party three months' notice or by the Company paying three months' remuneration in lieu thereof.
6. If the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.
7. The above may be treated as an abstract of the terms and conditions of appointment of Mr. Raj Kumar Saraf as the Managing Director of the Company pursuant to Section 302 of the Companies Act, 1956.

The following additional information, given in accordance with the amended Schedule XIII to the Companies Act, 1956, enables the Shareholders to consider the resolution on merits and decide accordingly at the AGM:-

1. **General Information:-** The Company is a Computer hardware Company engaged in the manufacture, distribution, marketing, sale and maintenance of computer hardware products and services. The financial performance of the Company has been according to the expectations of the management. The Company's debt to equity ratio is less than 2:1 as per the norms of the industry and the Company's resources continue to be accessed mainly from the business and internal accruals. The Company has no overseas investments; however the export earnings as shown in the audited Accounts for the year ended 31st March, 2008 have registered an impressive growth.
2. **Information about Mr. Raj Kumar Saraf:-** Mr. Raj Kumar Saraf is B.Com, LL.B, is 63 years old and has over 40 years of extensive exposure and well rounded experience in the areas of computer hardware and software products, development and marketing. The

Board of Directors considers him to be eminently suitable, based on the job profile, his experience and his knowledge for the post; the Board considers that the remuneration payable to him is based on the trends of executive remuneration packages payable to persons like him in the industry. Mr. Raj Kumar Saraf holds 24,06,121 Equity Shares in the Company (15.54% of the paid-up Capital) and is related to Mrs. Vijayrani Saraf (who holds 10,00,000 shares, 6.44%), a Director of the Company.

3. **Other Information:-** The Company has so far not incurred a loss – it is a record of sorts that the Company continues to make profits year after year, MAIT, an association for computers and computer peripherals' manufacturing companies, has predicted an increased business environment in the current year with considerable export potential especially for mid-sized companies like your company. The Company's overseas operations are expected to increase substantially in the current year i.e. 2008-2009 and the management is of the view that these operations would positively impact the financial performance of the Company: the domestic operations of the Company are poised for a 25% growth, both in terms of products and services.
4. **Disclosures:-** The other Directors are paid sitting fees for attending meetings of the Board and/or its Committees. Mr. R. K. Saraf is related to Mrs. Vijayrani Saraf, a Director of the Company and the said two Directors may be deemed to be concerned or interested in this resolution. None of the other Directors is concerned or interested in the resolution.

The above particulars, information, remuneration and disclosures are for the purpose of the re-appointment of Mr. R.K. Saraf as the Managing Director for a period of 5 years with effect from 31st October, 2007 to 30th October, 2012.

By Order of the Board

Place: Mumbai
Dated 2nd July, 2008

RAJKUMAR SARAF
Chairman & Managing Director