



34th Annual Report 2013-2014

COMPUTERS LTD

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All-in-One PCs
in the industry



Abridged



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ZENITH COMPUTERS LTD.

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DIRECTORS

R.K.Saraf
(Chairman & Managing Director)
Vijay R. Mukhi
Vipin M. Shah

COMPANY SECRETARY

Ramesh S. Sanghvi

BANKERS

Indian Bank
Federal Bank Limited
IDBI Bank Limited

AUDITORS

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

REGISTRAR & TRANSFER AGENTS

Link Intime (India) Private Limited,
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400 078

REGISTERED OFFICE

B-5, Electronic Sadan - 1,
MIDC, TTC Area, Mahape,
Navi Mumbai- 400 710

PLANT

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

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NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of Zenith Computers Limited will be held on Saturday, 23rd August, 2014 at 11.30 a.m. at the Auditorium of Hotel ABBOTT, Sector 2A, Near Vashi Bus Station, Vashi, Navi Mumbai 400 703, 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, 2014 and the audited Profit and Loss Account for the year ended on that date.

B. SPECIAL BUSINESS

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

2. AS AN ORDINARY RESOLUTION:

APPOINTMENT OF AUDITORS:-

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. C. L. Khanna & Company, Chartered Accountants (Membership No. 004988) be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Seventh AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) at such remuneration plus service tax, out of pocket expenses, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

3. AS AN ORDINARY RESOLUTION:

APPOINTMENT OF MR. VIPIN MANEKLAL SHAH AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections

149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Vipin Maneklal Shah (DIN 00453645), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 23, 2014 to August 22, 2019."

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

**RAMESH S. SANGHVI
COMPANY SECRETARY &
COMPLIANCE OFFICER**

**MUMBAI
10th July, 2014**

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 Saturday, 9th August, 2014 to Saturday, 23rd August, 2014 (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. Link Intime (India) Private 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

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10 days before the Annual General Meeting to enable the Management to keep the information ready.

5. Electronic Voting: Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreements entered into by the Company with BSE and NSE, the Company provides the members the facility to exercise their right to vote by electronic means, as an alternative to vote physically at the Annual General Meeting (AGM), and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL). Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option of e-voting. However, in case Members cast their votes exercising both the options i.e. physically and e-voting, then votes cast through e-voting shall only be taken into consideration and treated valid whereas votes cast physically at the meeting shall be treated as invalid.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

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- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Company "Zenith Computers Limited (ZENITHCOMP)" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolutions, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter

the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on "Sunday, 17th August, 2014 at 10.00 a.m." and ends on Tuesday, 19th August, 2014 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.



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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS.

Item No. 2

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s. C.L. Khanna & Company (CLK) (Membership No. 004988), Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company for the financial year 2013-14 at the Annual General meeting (AGM) of the Company held on 30th September, 2013. CLK have been Auditors of the Company since 1980-81 and have completed a term of 6 years. As per the provisions of Section 139 of the Companies Act, 2013 no listed company can appoint or re-appoint an Auditor for more than two terms of five consecutive years. The said Section has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, CLK, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 28th May, 2014, proposed the appointment of CLK as the Statutory Auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the thirty seventh AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM). The Board commends the Resolution at Item No. 2 for approval of the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

Item No. 3 :

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges, appointed Mr. Vipin Maneklal Shah as an Independent Director in the AGM held on 28th September, 2012. Pursuant to Section 149 of the Companies Act, 2013, which came into force from April 1, 2014, every listed company is required to have at least one third of the total number of Directors as Independent Directors, who are not liable to retirement by rotation. The Nominations Committee of the Board has recommended the appointment of Mr. Vipin M. Shah as an Independent Director from 23rd August, 2014 up to 22nd August, 2019. Mr. Vipin M. Shah, a non-executive Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, the said Director fulfills the conditions specified in the Act and the Rules framed thereunder for appointment of Independent Director and he is independent of the management. In compliance with the provisions Section 149 read with Schedule IV of the Act, the appointment of Mr. Vipin M. Shah as an Independent Director is now being placed before the Members for their approval.

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The terms and conditions of appointment of the said Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours from 11.00 a.m. to 3.00 p.m, on any working day except Saturdays, Sundays and National Holidays.

Particulars	Date of Birth	Date of Appointment	Qualifications	Experience on specific functional areas	Directorships held in Companies (excluding Foreign Companies)	Membership of Board Committees (including Chairmanship)	No. of Shares held in the Company
Mr. Vipin Maneklal Shah	8 th June, 1945	31.03.2009	B.Com, FCA	Chartered Accountant in Practice for more than 45 years	Director of – Shaparia Shipping & Allied Industries Private Limited Maneklal Chunilal and Sons Private Limited	Audit Committee (Member) and Chairman of the Investors Grievances Committee (of Zenith Computers Ltd.)	6,000

By Order of the Board

MUMBAI
10th July, 2014

RAMESH S. SANGHVI
COMPANY SECRETARY & COMPLIANCE OFFICER

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 34th Annual Report and the audited Accounts for the financial year ended 31st March, 2014.

(Rs. in Lakhs)

FINANCIAL HIGHLIGHTS	2013-2014	2012-2013
Profit / (Loss) before Taxes	(4,294.17)	(3,386.44)
Less: Provision for Taxes	NIL	NIL
Profit after taxation available for appropriation	(4,294.17)	(3,386.44)
Add: Balance brought forward from previous year	(534.25)	279.08
Amount available for appropriations :	(4,828.42)	(3,107.36)
Appropriations		
Proposed Dividend	NIL	NIL
Tax on Proposed Dividend	NIL	NIL
General Reserve	NIL	2,573.11
Balance Profit carried to the Balance Sheet	(4,828.42)	(534.25)

COMPANY'S ACTIVITIES

Fiscal year 2014 was a year of much slower economic growth with demand for the products and services in the Information and Technology sector registering a negative growth in volumes amidst falling prices.

DIVIDEND

Your Directors do not recommend any Dividend in respect of the financial year ended 31st March, 2014, as the Company has suffered a Loss.

REVIEW OF OPERATIONS

During the year under review,

- The net sales revenues at Rs. 7,821.02 lakhs were lower than the previous year's revenues of Rs. 10,084.39 lakhs. During the year the net Loss (Tax Expense was NIL) was Rs. 4,294.17 lakhs as against the previous year's Loss of Rs.3,386.44 lakhs (Tax Expense was NIL); the Loss

was due to the adverse market conditions and foreign exchange fluctuations.

- The Company continues to endeavour in maintaining customers to their utmost satisfaction levels by registering impeccable track record of quality and delivery efficiency, thereby ensuring their continued patronage for your company's products and services.
- Further changes and improvisations are under way in the manufacturing process and these changes are in compliance with international requirements.

PROSPECTS AND OUTLOOK

- Vigorous marketing efforts and ceaseless cost reduction activities continue with more thrust and vigour to accomplish these goals.
- The efforts are being intensified to sustained leadership position by constantly upgrading the products to match