



OPEN YOUR EYES
TO THE FUTURE OF SECURITY.



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DEEP INSIGHT, VIBRANT VISION.

This year we celebrate our 10th anniversary. The years since our founding, have seen Zicom build a solid foundation for the future. We did face rough tides in the beginning. But through sheer commitment, perseverance and professionalism, we achieved unmatched success and an enviable position in the industry. Our vision of providing the most sophisticated and indispensable security systems for a secure world, has seen us emerge as the pioneer of Electronic Security Systems in India.



Since 1995, we have developed many of the pathbreaking advances that have shaped today's residential and commercial security systems in India, from pioneering the concept of 'Central Monitoring Station' to introducing the first indigenously manufactured Access Controller with software capabilities and 'Wireless Security Systems'. We were also the first to manufacture Biometrics Access Control System integrated with Proximity & Smart Cards. A major breakthrough achievement includes becoming India's first Electronic Security Systems company to launch a security service: Z-Security.



The impact of technology on cellular communications has been significant. It is difficult to believe that the ubiquitous cellphone was little more than an executive communication toy some years ago. We recognized early on the potential of cellular technology, and much of Zicom's efforts today centre on harnessing this technology to enable guaranteed security.

We believe the experiences of the last decade will prove invaluable to us as we enter a period of calculated, sustainable growth. We have used the experience of the past 10 years to build a strong organisation and a solid foundation going forward.

Zicom's sales volumes have been steadily increasing - a clear indication of the Group increasing its market share in India.

It is with insight and experience that we continue to invest in research and development - our innovations are based on customer requirements. Using our core technical skills and capabilities, we continue to develop home grown technologies that address all points across the trusted security chain.

Our encouraging past and present endeavours, convince us that we have indeed built a solid foundation for growth over the next decade and beyond.



OUR VALUES IN FOCUS

VISION STATEMENT

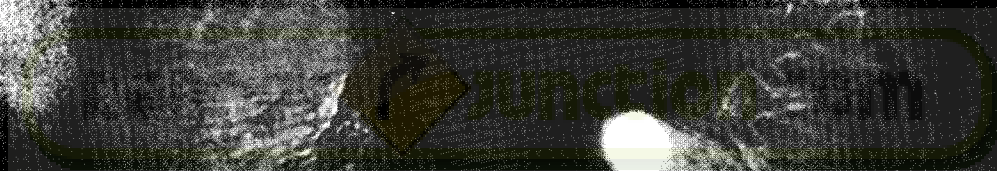
We will become the Company where customers will trust us the most to protect what they value the most.

MISSION STATEMENT

Zicom is committed to retain a leadership position in its e-security products and services through utilization of the best and the most appropriate technologies, application of knowledge and the most efficient marketing of high quality solutions and services to constantly enhance customers' confidence and fulfill responsibilities towards shareholders, employees and associates.

CORE VALUES

- Anticipate and drive change
- Keep raising the bar on performance
- Stay tuned to the customer at all times
- Work with transparency, integrity, accountability and humanity
- Team works, not individuals
- Build an open-door organization
- Knowledge shared is edge gained
- Think and act long-term



THE VISIONARIES

Board of Directors

Manohar Bidaye

Pramod V. Rao

Harish Nayak

Mukul Desai

R. S. Hugar

N. V. Tapare

Vijay Kalantri

Dr. Atul Wad



MANOHAR BIDAYE

Dear Shareholders,

The fiscal year 2004-05 was an eventful one for our Company. In my letter a year ago, I reported on what we did to ensure that your investment was secure. Now, I am pleased to confirm that we have successfully met all the objectives that we set out to achieve during 2004-05 and are confident that we will shine again during 2005-06.

2004-05 has been a milestone year for Zicom. The Company has achieved remarkable performance and crossed the Rs. 50 Crore mark in its total revenue. Our Company was

founded in 1995 and has grown in revenue and profitability every year since its inception. Much of this growth is driven by scalability of our business model, our relationship with customers, our team and our infrastructure.

The global security industry is presently estimated around US\$ 60 billion and is growing at about 8% per annum. United States accounts for about 40% of the global security market. This growth will be driven by a combination of organic growth in customer business and an increase in security need, security technology adoption and use of outsourced security services.

The Indian security market continued to mature both in size and quality of offering. The current market size of Indian industry is estimated about Rs. 500 Crore. With growth in various sectors such as ITES, financial services, and retail have

opened up wide opportunities to drive the growth in coming fiscal years.

The basis of our new strategy is a clear focus on innovation and growth.

As economy is growing and its positive impact on the construction, IT and

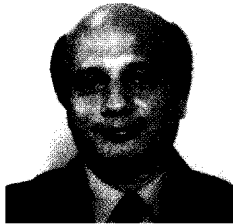
network infrastructure sectors will drive the future performance of the security service industry. We are launching new initiatives to identify, develop and adopt products arising out of biometrics, microwave and IT technologies. In addition, we have test launched our monitoring services in Mumbai through Z-Security and are planning to go national with this service. This will result in the broadening and strengthening of our security product offerings.

We are at a crucial juncture where the demand for our products and services requires us to further expand our infrastructure and increase our national presence. We are planning to open new offices to increase our presence nationally and internationally. The commencement of Bin-Jabr Zicom Security & Safety Systems LLC in Abu Dhabi, UAE, is the first step towards establishing global presence. This joint venture will focus on growth in the infrastructure in the Middle East.

In conjunction with the latest technology, it is essential to have appropriately qualified staff with strong project management skills to install increasingly advanced systems. We are increasing our skill and talented staff of technicians and sales persons to manage future growth. We are planning to raise resources required for business growth and expansion through suitable instruments in the Indian and international markets.

On behalf of my colleagues throughout Zicom, I thank you for the confidence you have shown in our efforts to realize our full potential. We have tremendous faith and excitement about our future, and I look forward to reporting to you on another great year in 2006.

THE CHAIRMAN'S VISION

**PRAMOD V. RAO**

Demand for better enterprise security has accelerated since the 9/11 attack in the US. World over, the security markets are showing very good growth rates, with India and China leading the pack. This growth has lead Zicom to post improved performances this year too. Our continued success and robust financial growth are due to our prudent and pragmatic corporate strategy and business model. All of this has been possible due to the unstinted support of our investors and customers. Businesses across all market verticals have performed well and we remain optimistic it will remain so for the next few years.

Indian economy is fast growing and the growth being witnessed in the service sector is truly amazing. At Zicom, we have plans to capitalize on this growth by entering into the market with a new innovative service offering this year. The approach is holistic, aimed at providing our valued customer end to end security solutions at a nominal monthly service charge. The value chain is developed using convergence in Security, IT and Telecommunications and the market platform using Ecosystems by leveraging partnerships. Our entry in the services sector is targeted mainly for Retail and Homes and with this focus we would have covered the entire spectrum of the market place covering each vertical. We are confident our future earning will be dominated by our services revenues coupled with contribution from our new overseas JV in Abu Dhabi.

THE MD'S FOCUS

It is also very encouraging to witness Indians now getting security conscious. The disastrous global events and the threat of terrorism has compelled the need for higher vigilance and stringent security systems. The ongoing terrorist attacks have underlined the need for reliable and tough security measures. Consequently the electronic security systems markets have seen an upsurge and we predict better days ahead for our industry at the unfortunate expense of community peace.

We at Zicom intend to fulfill the demand of greater and reliable security devices and systems during the current year. Our new vision is to become the Company where customers will trust us the most to protect what they value the most.



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