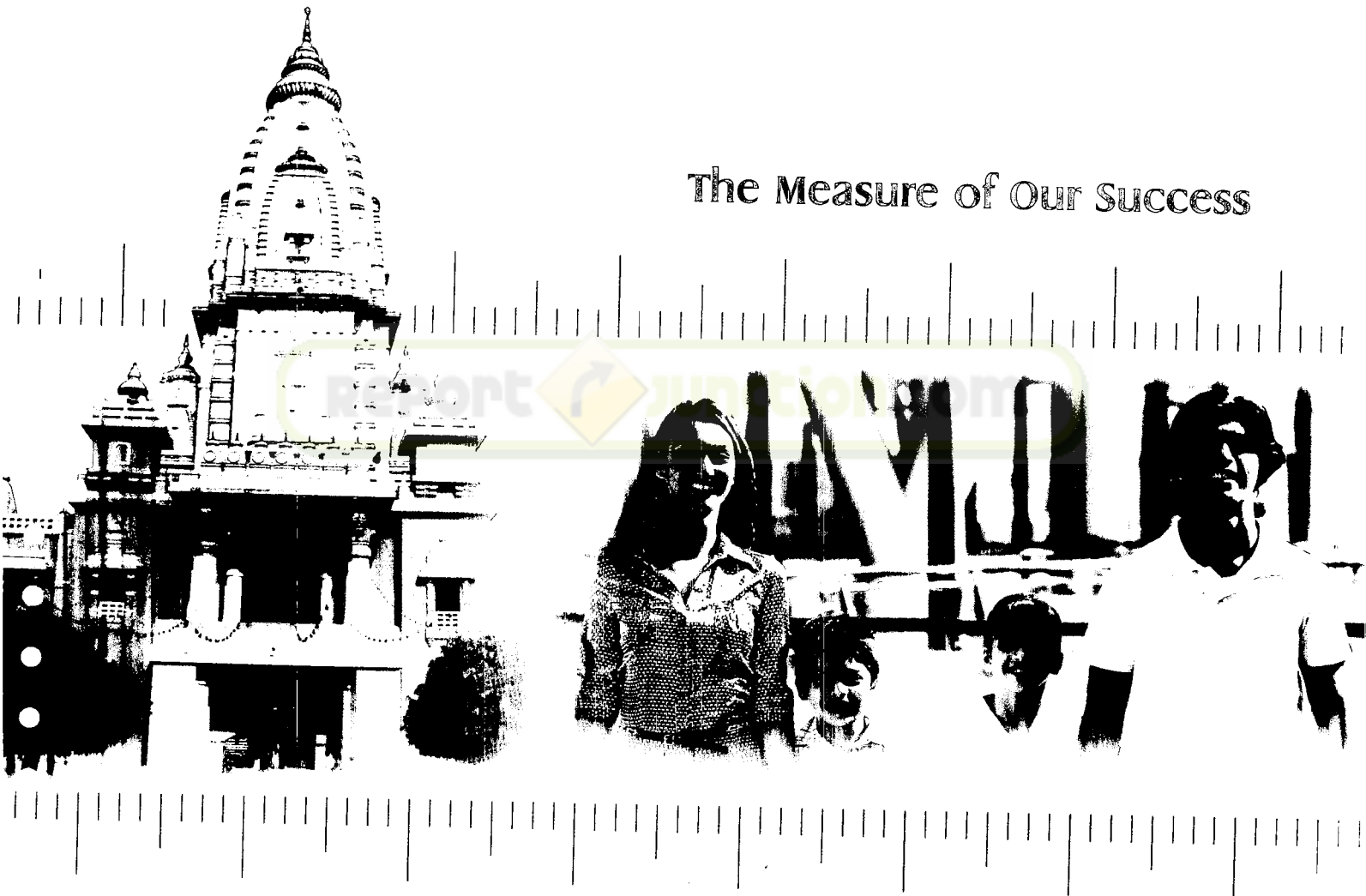




Feel Safe

The Measure of Our Success



Annual Report 2007 - 08

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C O N T E N T S

02 Vision, Mission & Core Values	04 From the Chairman's Desk	06 Managing Director Speaks	08 Board of Directors	10 About Zicom	12 Group Companies	14 Partial List of Clientele
50 Auditors' Report	55 Balance Sheet	56 Profit & Loss Account	57 Cash Flow	58 Schedules forming part of Annual Accounts	64 Notes to Accounts	77 Balance Sheet Abstract

16	Life at Zicom	17	Financial Highlights	18	Notice	21	Directors' Report	31	Management Discussion & Analysis	35	Corporate Governance Report
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78	Auditors' Report on Consolidated Accounts	79	Consolidated Balance Sheet	80	Consolidated Profit & Loss	81	Consolidated Cash Flow	82	schedules forming part of Consolidated Accounts	88	Notes to Consolidated Accounts
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Mumbai Traffic Police

Over 1,227,685 vehicles watched over



But we measure it by their Comfort

Vision Statement

**“To be the Company you Trust the most
to Protect what you Value the most”**

Mission Statement

Zicom is committed to provide safety to customer by continuously developing and delivering / offering new technologies, innovative products, solutions and delightful services, by abiding all its commitments to customers. We will nurture our channel partners by providing profitable avenues of growth and fulfill responsibilities towards shareholders 'by achieving consistent growth in shareholders' value and adhering to fair practices in all its dealings with employees and business partners.

Core Values

1. Stay tuned to the Customers at all times.
2. Keep raising the bar on Performance.
3. Work with Transparency, Integrity and Accountability.



Varanasi Temple

Over 10,349,832 devotees
watched over by Zicom

But we measure it by their Faith

Dear Shareholders,

I am pleased to present you this Annual Report and annual accounts of the Company for the year ended March 31, 2008. Fiscal year 2007-2008 has been symphonic year showing spectacular growth not only by the Company but also by its subsidiaries. The flagship Company has crossed a turnover of Rs. 1645.19 million with Net Profit after Tax of Rs. 80.43 million. You will be pleased to note that the total consolidated income for the year ended March 31, 2008 reached to Rs. 2911.58 million showing remarkable growth of over 87.24% as compared to Rs. 1555.00 million in previous year. In my view, the Company has made excellent progress in terms of top line growth and EBITDA growth considering the fact that the total launch and advertisement expenditure of Rs. 218.38 million of Company's retail subsidiary viz. Zicom Retail Products Private Limited (ZRPL) has been entirely written off. In spite of challenges faced by the Company, I am proud to say that your Company has maintained its leading position by strategizing its business model and extending its customer base across nation.

India's economy has been one of the stars of global economics in recent years, growing 9.2% in 2007. Like most of the world, however, India is facing testing economic times in 2008. Rapidly rising inflation at 11.89% noted in June, 2008 and the complexities of running the world's biggest democracy are proving challenging. Under this scenario, I expect further tightening of monetary policy by central bank making things difficult for the growth of business and industry. The resilience displayed by Indian economy in light of developments in the global economy since the onset of the credit crises in 2007 is clear indication of sustainable nature of India's growth momentum. Continued investment in infrastructure, investment in education and holistic development of agriculture sectors are going to be new economic drivers to realize India's full potential in long run.

As per recent survey, the electronic security market in India is estimated at Rs. 1,1500 million as on March 31, 2007 and



expected to grow at CAGR of 23%. In my view, Indian Electronic Security Industry has just taken off and will do well in foreseeable future in view of the growth expected in IT /ITES, commercial construction, retail infrastructure, hospitality and industrial sector growth.

As the Company has embarked upon the long term task of building up category of home and retail security, the initial success of ZRPL of having achieved turnover above Rs. 500 million is in my view not a small achievement. The Company has opened up 110 SIS stores (Shop-In-Shop) and 18 OBS (Own Branded Stores) stores till June 30, 2008 and plans to take number of stores to 250 through SIS. With this your Company will be the only organized national player in retail security domain.

Another most important achievement of the Company during last year was successful turnaround of Unisafe Fire Protection Specialists LLC, Dubai, UAE. I am proud that in its first full year of operation after acquisition, Unisafe has achieved turnover of Rs. 721.95 million and profit of Rs. 126.20 million mainly due to better administration, management and buoyant business scenario in gulf region. Thus investment made in Unisafe has been fruitful and return of investment has been achieved much earlier than expectation. I foresee that Unisafe will be front runner in driving the profitability for the Group.

Zicom Hongkong made a small beginning by registering sale of Rs. 47.84 million with a profit of Rs. 3.98 million.

Our recent foray with CNA Group, Singapore by setting up a joint venture in India viz Zicom CNA Automation Limited is expected to make Zicom a niche technology player in the field of intelligent buildings and green buildings.

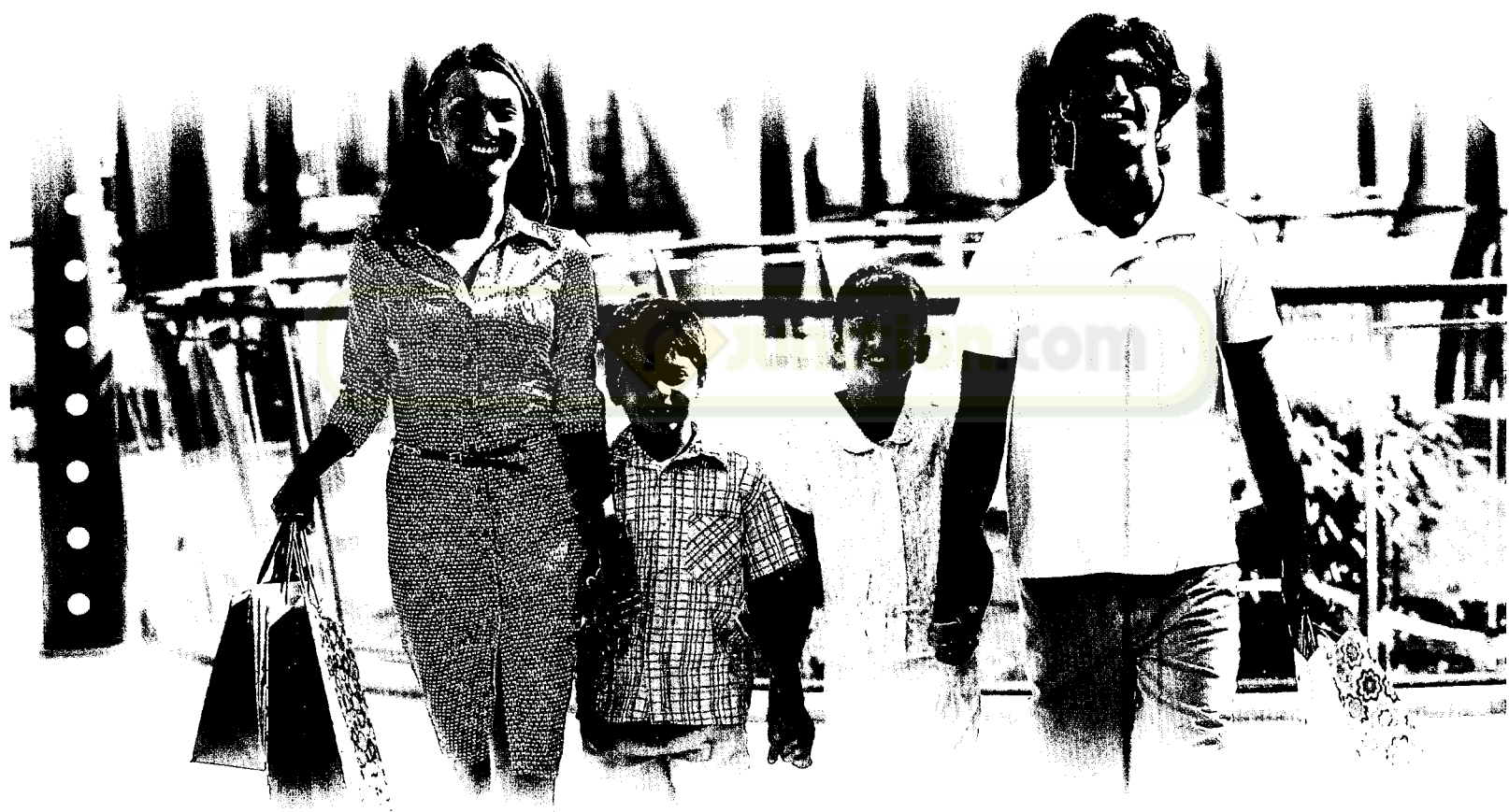
Due to change in international financial scenario, Company's plan for infusing further equity thru GDR and FCCB was not completed. This may be taken up at appropriate time in future. The Company is thankful to each of its Zi-Champs, Bankers, Stakeholders, Customers, Business Associates; for contributing their might to the success of the organization. I thank all of you for having reposed your confidence and faith in the Company.

Feel Safe,

Manohar Bidaye
Chairman

Hyper City

Over 2,812,768 shoppers
provided a safe environment



But we measure it by their smiles

MD speaks

Dear Stakeholders,

Our continued success and growth is a result of our prudent and pragmatic corporate strategy and business model. Businesses across all verticals have performed well and we remain optimistic that it will remain so, for the next few years, ably supported by the growing Indian economy and the real estate boom in the Middle East. While we remain bullish like never before, keeping in mind factors such the US sub-prime credit crisis, the speculative fever in the real estate markets now cooling down, firming up of interest rates and oil boiling at around USD 140, we would like to remain cautious on the effect of these developments on the Indian economy specially since our business is dependent on the real estate growth.



While the demand for better enterprise security continues to accelerate, the value chain in providing security solutions is also growing, thanks to the convergence of security, IT and Telecommunication, creating a whole new world of possibilities. Moreover, we are witnessing India getting increasingly security conscious with the renewed threat of terrorism, especially in wake of the Hyderabad and Jaipur blasts that has compelled our government towards the need for higher vigilance and stringent security systems. We were recently awarded the contract for Bangalore City B-Trac Project, Amritsar Airport, which clearly indicates that government spending in the area of Security and Safety is ever increasing.

Our retail venture had embarked on a Herculean task of creating a new category and has done it in style. Our business in Middle East continues to do well with some landmark projects being executed. Furthermore, our new venture in Intelligent Integrated Infrastructure Management Solutions and Green Buildings under the new company Zicom CNA Automation Ltd. has just kicked of its operations in India. All these initiatives are expected to deliver rich dividends.

We, at Zicom, intend to fulfill the demand for greater and reliable security devices and solutions during the current year. Propelled by our vision "To be the Company you Trust the most, to Protect what you Value the most", we will continue our march to exceed your expectations. We would like to thank all our Stakeholders, Bankers, Customers, Business Partners and Zi-champs for making us all proud of yet another successful year.

Feel Safe,

Pramoud Rao
Managing Director

Kolkata Metro

Over 1,456,566 commuters secured



But we measure it by their Peace of Mind