

## NOTICE

**NOTICE** is hereby given that the Thirty Second Annual General Meeting of **Zenith Computers Limited** will be held on Friday, **28<sup>th</sup> September, 2012 at 11.00 a.m.** at the Auditorium of Hotel ABBOT, Sector 2, Vashi, Near Vashi Bus Stand, **Navi Mumbai – 400 703** to transact the following business :-

### ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited Balance Sheet as at 31st March, 2012 and the audited Profit and Loss Account for the period ended on that date.
2. To appoint a Director in place of Mr. Vipin M. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors and to fix their remuneration.

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

**MUMBAI**  
**14<sup>th</sup> August, 2012**

**(R. K. SARAF)**  
**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 Tuesday, 18<sup>th</sup> September, 2012 to Friday, 28<sup>th</sup> September, 2012 (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 Pvt Ltd, 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) Item No. 2 – additional information required to be furnished under Clause 49 of the Listing Agreements with the Stock Exchanges:-

Mr. Vipin Maneklal Shah was appointed as a Director retiring by rotation in the Annual General Meeting held on 30<sup>th</sup> September, 2011. Mr. Vipin Shah, aged about 67 years, is a Chartered Accountant (B. Com., FCA) and has more than 40 years' experience in the industry and in legal, management and accounting matters. He is a Director of 4 other Companies.



**COMPUTERS LTD**

## 32nd Annual Report 2011-2012

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 32<sup>nd</sup> Annual Report and the audited Accounts for the financial year ended 31<sup>st</sup> March, 2012.

(Rs. in Lakhs)

<b>FINANCIAL HIGHLIGHTS</b>	<b>2011-2012</b>	<b>2010-2011</b>
Profit before Taxes	<b>208.41</b>	275.34
Less: Provision for Taxes	<b>35.56</b>	48.77
Profit after taxation available for appropriation	<b>172.85</b>	226.56
Add:Balance brought forward from previous year	<b>106.23</b>	42.14
Amount available for appropriations :	<b>279.08</b>	268.70
<b>Appropriations</b>		
Proposed Dividend	<b>NIL</b>	139.33
Tax on Proposed Dividend	<b>NIL</b>	23.14
General Reserve	<b>NIL</b>	NIL
Balance Profit carried to the Balance Sheet	<b>279.08</b>	106.23

### COMPANY'S ACTIVITIES

Fiscal year 2012 was a year of lower economic growth with demand for the products and services in the Information and Technology sector registering a small growth in volumes but falling prices.

#### DIVIDEND

Your Directors do not recommend any Dividend for the financial year ended 31st March, 2012, as the Company intends to plough back the profits.

#### REVIEW OF OPERATIONS

During the year under review,

- The net sales revenue at Rs. 180.44 lakhs, was lower than the previous year. However, during the year the profit before tax was Rs. 208.41 lakhs as against the previous year's Profit of Rs. 275.34 lakhs; the profits were lower 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

- The Company's businesses of leasing/renting / hiring of computer systems to small businesses and to corporates have added a revenue stream and contributed to the company's profits.
- Your Directors endeavour is to enhance the Revenue and Profit to higher levels and for this purpose, efforts have been initiated by value addition to products, customers and markets.
- Vigorous marketing efforts and ceaseless cost reduction activities continue with more thrust and vigour to accomplish these goals.



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- The efforts are being intensified to sustained leadership position by constantly upgrading the products to match advancing technology trends, maintaining the superiority in quality, and continuing the unblemished timely service support.
- Your Directors are hopeful that all the above, coupled with continuous monitoring of inventory, receivables and overheads, would result in healthier results during the coming years.

#### **FIXED DEPOSITS**

During the year, the Company has not accepted any fixed deposits under Sections 58A and 58AA of the Companies Act, 1956.

#### **DEMATERIALIZATION OF COMPANY'S SHARES**

The Company's Securities continue to be traded in the electronic form only as per the relevant SEBI guidelines.

#### **LISTING OF SHARES ON THE STOCK EXCHANGES**

The Company's Securities continue to be listed on the Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. The Company has paid the requisite Annual Listing Fees for the year 2012-13, to the above Exchanges.

#### **DIRECTORS**

Mrs. Vijayrani Saraf resigned as a Director with effect from 14<sup>th</sup> August, 2012. The Board placed on record the valuable advice and contribution of Mrs. Saraf during her tenure.

In accordance with the Company's Articles of Association and the provisions of the Companies Act, 1956, Mr. Vipin Shah retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

#### **COMMUNITY DEVELOPMENT**

The Company has been promoting and supporting the activities related to community services. The Company continues to focus its efforts towards helping the underprivileged children and schools run by the various institutions of the States and the Center by donating computers and also helping the institutions with financial support.

#### **BUSINESS EXCELLENCE AND QUALITY INITIATIVES**

Your Company had embarked on the excellence journey with the adoption of Zenith Group Excellence Model. The Company is undergoing external assessment process for evaluation of benchmarks for improvement over the previous year.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

- (1) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- (2) that the Directors have 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 at the end of the financial year ended 31<sup>st</sup> March, 2012 and of the profit of the Company for that year;
- (3) that the Directors have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (4) that the Directors have prepared the annual accounts on a going concern basis.

#### **CORPORATE GOVERNANCE**

The Company has complied with the requirements of Corporate Governance, as applicable to the Company, during the period under report, as per the amended Listing Agreements with Stock Exchanges. The Report on Corporate Governance with the Auditors' Report thereon, is annexed hereto in accordance with Clause 49 of the Listing Agreements with the Stock Exchanges.

#### **AUDITORS**

M/s.C.L.Khanna & Company, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, retire at ensuing Annual General Meeting and are eligible for re-appointment.



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### EMPLOYEES

Relations between the management and its employees have been cordial. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels.

The Company did not have any employee(s) during the year or part of the year drawing remuneration specified in the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies

#### ANNEXURE TO THE DIRECTORS' REPORT PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 IN RESPECT OF THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2012.

- A. **Conservation of Energy** : Though the Company's manufacturing operations are not power intensive, regular and preventive maintenance of all equipment is undertaken by the Company.
- B. **Technology Absorption** : Form B enclosed.
- C. **Foreign Exchange Earnings and Outgo** :

#### Rs. in Lakhs

Total foreign exchange used and earned

(i) Expenditure in foreign currency  
9,119.17

(ii) Foreign Exchange earned  
210.39

#### FORM B

#### Form of disclosure of particulars with respect to absorption

1. Specific areas in which R & D carried out by the Company :  
Designing / development of state-of-art systems, import substitution, technology upgradation. Upgradation of products and quality enhancement. Development and evaluation of alternate raw materials.

(Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is appended hereto as an Annexure and forms part of this Report.

### ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the support received from the Company's Bankers and Shareholders and look forward to their continued support and goodwill.

**By Order of the Board**

**RAJKUMAR SARAF**  
Chairman &  
Managing Director

**MUMBAI**  
14<sup>th</sup> August, 2012

2. Benefits derived as a result of the above R & D :  
Cost reduction, product improvement, import substitution and effective time management.
3. Future plan of action :  
Development of new products and enhancing market revenues by upgrading existing spectrum of products.
4. Expenditure in R & D : **Rs. in Lakhs**

a. Capital	NIL
b. Recurring	18.27
c. Total	18.27
d. Total R & D expenditure as a percentage of total turnover	0.10%

#### TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Introduction of All-in-one PC and Touch Panel LCD Monitor for Industrial and Commercial applications towards improvement of efficiency and productivity.
2. Benefits derived as a result of the above efforts :  
On going
3. Imported Technology : None

**By Order of the Board**

**RAJKUMAR SARAF**  
Chairman &  
Managing Director

**MUMBAI**  
14<sup>th</sup> August, 2012



## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Corporate Governance

As part of the Zenith Group, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair and transparent governance practices. The Corporate Governance philosophy has been further strengthened with the adoption by the Company of the Zenith Business Excellence Model and Zenith Code of Conduct and the adoption of the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### I. Board of Directors

##### (A) Composition of Board

The Board consisted, up to 20<sup>th</sup> August, 2011, of one Executive Director and four Non-Executive Directors. Out of the Non-Executive Directors, three were Independent Directors and the other Director represents the Promoters. Mr. H.P. Ranina resigned as a Director on 20<sup>th</sup> August, 2011; the Board now consists of one Executive Director and three Non-Executive Directors – two independent Directors and the other Director representing the Promoters. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment to the deliberations and decisions of the Board.

The Company has an Executive Chairman. The number of Independent Directors is more than one-third of the total number of Directors. The Company meets the requirements relating to the composition of Board of Directors.

##### (B) Non Executive Directors' compensation and disclosures

The Non Executive Directors of the Company are paid sitting fees as fixed by the Board of Directors within the limits prescribed under the Companies Act, 1956. No stock options were granted to Non Executive Directors or Independent Directors during the year under review.

##### (C) Other provisions as to Board and Committees

During the year 2011-12, 5 meetings of the Board of Directors were held on 14<sup>th</sup> May, 2011, 9<sup>th</sup> August, 2011, 20<sup>th</sup> August, 2011, 15<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012.

The 31<sup>st</sup> Annual General Meeting of your Company was held on 30<sup>th</sup> September, 2011; the Company did not hold any Extra-ordinary General Meeting.

None of the Directors of the Board serve as Members of more than 10 committees nor do they chair more than 5 committees, as per the requirements of the Listing Agreement. The detailed information is given in the table :

Sr. No.	Name of Director	Category	Board Meetings attended during the year	Attendance at at the 32 <sup>nd</sup> AGM held on 30.09.2011	No. of other Directorships	No. of Memberships of Board Committees of all Companies	No. of Board Committees of which the Director is a Chairperson in all companies
1.	Mr. Rajkumar Saraf	Chairman and Managing Director (Executive)- Promoter	5	Yes	5	9	2
2.	Mr. H.P. Ranina*	Non-Executive	2	NA	3	Nil	Nil
3.	Mr. Vijay Ram Mukhi	Non-Executive	5	Yes	1	8	4
4.	Mrs. Vijayrani Saraf	Non-Executive - Promoter	5	Yes	1	1	Nil
5.	Mr. Vipin Maneklal Shah	Non-Executive	5	Yes	4	6	2

\* Resigned as a Director on 20<sup>th</sup> August, 2011.



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### **(D) Code of Conduct**

- (i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is applicable to the Managing Director (including Senior Management of the Company) and Non Executive Directors of the Company. The code also governs all the employees of the company.
- (ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2012.

## **II. Audit Committee**

### **(A) Qualified and Independent Audit Committee**

The Company complies with the provisions of Section 292A of the Companies Act, 1956 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee consists of three directors as members, two of whom are Independent Directors.
- (ii) All members of the Committee are financially literate. The members carry with them the expertise in their individual fields of Finance, Accounts, I.T., Legal etc. While one of the members is a Chartered Accountant, the other member is a Commerce and Law graduate.
- (iii) The Chairman of the Audit Committee is an Independent Director.
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting.
- (v) The Chief Financial Officer, internal auditors and the representatives of the Statutory Auditors and such other officials of the Company are invited to attend the Audit Committee meetings as and when required.
- (vi) The Company Secretary acts as the Secretary to the Committee.

### **(B) Meetings of Audit Committee**

During the year, 5 Audit Committee meetings were held on 14<sup>th</sup> May, 2011, 9<sup>th</sup> August, 2011, 20<sup>th</sup> August, 2011, 15<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012. The Audit Committee meetings are held at the office of the Chairman of the Audit Committee.

The Composition of the Audit Committee and number of meetings attended by the Members are given below:

Name of Member	Composition of the Audit Committee	Number of meetings attended
Mr. Vijay Ram Mukhi	Chairman	5
Mr. R.K. Saraf	Member	5
Mr. Vipin Manekalal Shah	Member	5

All the Members were present in all the meetings of the Audit Committee.



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### (C) Powers of Audit Committee

The Audit Committee has powers including :

1. To investigate any activity within its terms of reference
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

#### **Role of Audit Committee**

Review of the Company's financial reporting process, the financial statements and financial/risk management policies.

- ⇒ Recommendation to the Board on appointment of statutory auditors and fixation of audit fee and other fees to the auditors.
- ⇒ Review of the adequacy of the internal control systems in the Company.
- ⇒ Review of the internal audit report forwarded by the internal auditors.
- ⇒ Discussions with the management and the external auditors, the audit plan for the financial year and a joint post-audit review of the same.
- ⇒ Review of the quarterly and annual financial statements before submission to the Board.
- ⇒ Review of the statutory and internal auditors' performance.
- ⇒ Review the functioning of the Whistle Blower mechanism, as existing in the Company.
- ⇒ To carry out any of the functions contained in the Corporate Governance Clause of the Listing Agreement.

### (E) Review of information by Audit Committee

The Audit Committee has reviewed the following information during the year:

1. Management discussion and analysis of financial condition and results of operations of the Company.
2. Statement of related party transactions.
3. The reports of Statutory Auditors,
4. The reports of Internal Auditors.
5. The appointment of Internal Auditors.

### III Meeting of Investors' Grievances Committee

During the year 4 meetings of the Investors' Grievances Committee were held on 14<sup>th</sup> May, 2011, 9<sup>th</sup> August, 2011, 15<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012. The composition of the Investors' Grievances Committee was Mr. Vipin Shah as the Chairman, Mr. Vijay Mukhi and Mr. R.K. Saraf, as members of the committee. All the members were present in all the meetings of the said committee.

Grievances received from Members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrars within 20 days.



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### IV Meeting of Share Transfer Committee

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company; the Board Committee attends to share transfer formalities at least once in 15 days.

All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 21 days.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

### V. Disclosures

#### (A) Basis of related party transactions

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee and also disclosures made in Notes on financial statements 1 to 39 forming part of the Accounts'.
- (ii) The transactions with related parties during the year, were in the normal course of business as well as at an arm's length basis.

#### (B) Disclosure of Accounting Treatment

During the year, there has been no change in accounting policies.

#### (C) Board Disclosures – Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

#### (D) Proceeds from public issues, rights issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

#### (E) Remuneration of Directors

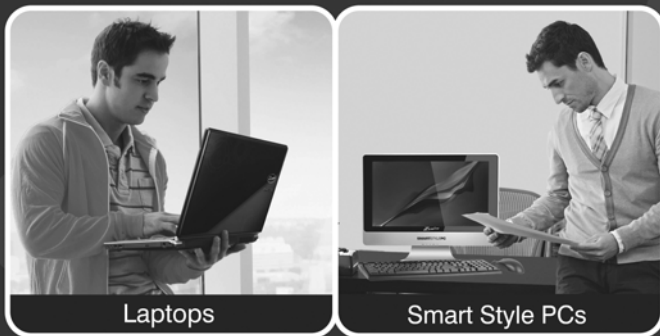
##### (i) Managing Director

Mr. Rajkumar Saraf, the Chairman and Managing Director does not draw any remuneration.

##### (ii) Non-Executive Directors

- (a) The Non-Executive Directors are entitled to a sitting fee for attending the Board/Committee Meetings. A sitting fee of Rs.20,000/- per meeting of the Board and of each Committee of the Board is paid to every Director/ Member. No sitting fee is paid to the members for attending the Share Transfer Committee meetings.





#### (F) Additional Disclosures

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

The Company has received all relevant disclosures; there is no conflict of interest.

- b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

NIL - the Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

#### (G) Means of Communication

- |   |   |  |
|---|---|--|
| Quarterly report sent to each household         | : | The results of the Company are not sent to the Household of each shareholder but are published in the newspapers.      |
| Quarterly results and in which newspaper        | : | Results are normally published in 'The Free Press Journal', 'Navshakti' (Marathi Mumbai edition) and 'Economic Times'. |
| Any website where displayed                     | : | Yes, the results are displayed on the Company's website.   |
| Whether it also displays official news releases | : | Yes  |

#### Management Discussion and Analysis Report

(within the limits set by the Company's competitive position)

The Company is engaged in the business of manufacture and sale of personal computers and laptops, accessories and peripherals. The computer hardware industry has become akin to home appliances segment; there has been modest growth in the sale of computers both in terms of volume and turnover with prices remaining depressed and challenging, during the year. The market penetration of the Company's product in the moffusil and rural areas of the Country together with the product visibility and product bundling have helped your Company to continue to generate sales and make a profit. The Company's objectives of information of the products, its standing vis-à-vis the MNC brands, the price and superior quality sensitivity have been achieved. The Company's advertisement program with a frequency of 5-6 weeks for bringing the products of the company to the knowledge of the public and road shows for effective sales of its products continues to generate interest especially among students and senior citizens.

The outlook for industry continues to be positive. The Company is hopeful that with the combination of market development and expansion activity, there will be healthy growth over the next year.



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The Company has good internal control systems, the adequacy of which has been reported by its auditors in their report as required under the Companies (Auditor's Report) Order, 2003. The discussion on financial performance of the Company is covered in the Directors' Report. The number of people employed as on March 31, 2012 was 170.

### Report on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. The other information on Corporate Governance for the benefit of the shareholders is given hereunder.

### General Shareholder Information

#### Annual General Meeting

- |       |   |   |   |
|-------|---|---|---|
| (i)   | <b>Day, Date, time and Venue</b>                                | : | Friday, 28 <sup>th</sup> September, 2012 at 11.00 a.m.<br>Auditorium of Hotel ABBOT, Sector 2,<br>Vashi, Near Vashi Bus Station,<br><b>Navi Mumbai – 400 703.</b>   |
| (ii)  | <b>Financial year</b>   | : | 1 <sup>st</sup> April to 31 <sup>st</sup> March   |
| (iii) | <b>Date of Book Closure</b>                                     | : | Tuesday, 18 <sup>th</sup> September, 2012 to Friday,<br>28 <sup>th</sup> September, 2012 (both days inclusive)  |
| iv)   | <b>Dividend Payment Date</b>                                    | : | No dividend has been recommended;<br>hence not applicable.  |
| (v)   | <b>Listing</b>  | : |   |
|       | The Stock Exchanges on which the<br>Company's shares are listed |   | Bombay Stock Exchange Ltd.<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 001.<br><br>National Stock Exchange of India Ltd.<br>Exchange Plaza, 5 <sup>th</sup> Floor,<br>Plot No.C/1, G Block,<br>Bandra-Kurla Complex,<br>Bandra (E), Mumbai-400051. |



**(vi) Stock Code**

The Bombay Stock Exchange (physical) : Code : 17164  
 The Bombay Stock Exchange (demat) }  
 The National Stock Exchange (demat) } Code : INE 598B01013

**(vii) Annual General Meetings**

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Location of the Meeting	Time
2010-11	30/09/2011	Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Opp.: Vashi Bus Stand, Navi Mumbai – 400 703.	11.00 a.m
2009-2010	07/08/2010	Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Opp.: Vashi Bus Stand, Navi Mumbai – 400 703.	11.30 a.m.
2008-2009	08/08/2009	Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Opp.: Vashi Bus Stand, Navi Mumbai – 400 703.	11.30a.m.

**(viii) Market price information**

The high and low closing prices during the year ended March 31, 2012 on the National Stock Exchange and the Bombay Stock Exchange, where your Company's shares are frequently traded, are given below:

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2011	27.40	20.65	27.45	20.55
May, 2011	22.55	18.30	21.80	18.75
June, 2011	19.85	16.50	19.70	14.10
July, 2011	20.60	17.00	21.00	17.00
August, 2011	17.30	13.00	17.40	12.80
September, 2011	16.35	13.50	16.10	13.30
October, 2011	16.00	13.05	15.95	13.10
November, 2011	16.20	11.95	15.45	12.00
December, 2011	14.80	11.50	14.75	12.00
January, 2012	14.90	12.00	14.55	12.05
February, 2012	16.90	12.76	16.00	13.10
March, 2012	14.49	11.81	14.35	11.00



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### (ix) Registrars and Share Transfer Agents :

The Members are requested to correspond with the Company's Registrars & Share Transfer Agents – M/s. Link Intime (India) Private Ltd.,

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

### (x) Distribution of shareholding

(a) Distribution of shareholding (no. of shares) as on March 31, 2012:

	Category	No. of Equity shares held	Percentage of shareholding
<b>A</b>	Promoters		
1	<b>Indian Promoters (Individuals/HUF)</b>	<b>6,717,531</b>	<b>43.39</b>
2	Foreign Promoters	NIL	NIL
3	Bodies Corporate	16,92,224	10.93
<b>B</b>	Non-Promoters Holding		
1	Institutional Investors		
A	Mutual Funds and UTI	5,800	0.04
B	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non- Government Institutions)	3,150	0.02
C	FII's	2,28,078	1.47
<b>2</b>	<b>Others</b>		
A	Bodies Corporate	9,42,415	6.09
B	Clearing Members (Shares in Transit)	1,75,734	1.14
C	NRIs/OCBs/Foreign Nationals	6,83,792	4.41
D	Individuals holding nominal share capital upto Rs.1 lakh	45,01,099	29.08
E	Individuals holding nominal share capital more than Rs.1 lakh	5,31,017	3.43
	<b>TOTAL</b>	<b>15,480,840</b>	<b>100.00</b>



(b) Shareholding pattern as on March 31, 2012:

SHAREHOLDING OF NOMINAL VALUE OF RS.	RS.	SHAREHOLDERS NUMBER	%AGE OF TOTAL	SHARE AMOUNT RS.	%AGE OF TOTAL	
1	-	5000	19451	91.80	2,94,32,320	19.01
5001	-	10000	1000	4.72	80,51,030	5.20
10001	-	20000	407	1.92	62,39,990	4.03
20001	-	30000	144	0.68	36,48,910	2.36
30001	-	40000	55	0.26	19,50,400	1.26
40001	-	50000	37	0.17	17,16,610	1.10
50001	-	100000	54	0.26	38,93,990	2.52
100001	-	*****	41	0.19	9,98,75,150	64.52
TOTAL			21,189	100.00	15,48,08,400	100.00

**(xi) Dematerialisation of shares and liquidity**

92.23% of the equity shares have been dematerialized by about 63.57% of the shareholders as on March 31, 2012. The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into Agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. Equity shares are actively traded in BSE and NSE.

**(xii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants.

**(xiii) Plant locations**

Your Company's manufacturing units are located at Plot No. P-33/37, Sancoale Industrial Estate, P.O.Zuari Nagar, Goa - 403 726 and the offices are located in almost all metropolitan cities in India.

**(xiv) Address for correspondence (Registered Office)**

Zenith Computers Limited  
B-5, Electronic Sadan 1,  
MIDC, TTC Area,  
Mahape,  
Navi Mumbai 400 710.

**(xv) Electronic Clearing Service (ECS)**

The Company is availing of the ECS facility to distribute dividend to those Members who have opted for it in metropolitan cities.



**COMPUTERS LTD**

## 3 2 n d   A n n u a l   R e p o r t   2 0 1 1 - 2 0 1 2

### **NON-MANDATORY REQUIREMENTS**

#### **(a) Remuneration Committee**

The Company has a Remuneration Committee consisting of, inter alia, two Non-Executive Directors, with the Chairman being an Independent Director. The members of the Remuneration Committee are as follows:

1. Mr. Vijay Ram Mukhi - Chairman
2. Mr. Raj Kumar Saraf
3. Mr. Vipin M. Shah - Member

The scope and function of the Remuneration Committee is to review and fix the remuneration payable to the Managing Director of the Company. The Committee did not hold any meeting as there was no agenda.

#### **(b) Whistle Blower Policy**

Your Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

**By Order of the Board**

**Place: Mumbai,  
Date: 14<sup>th</sup> August, 2012**

**RAJ KUMAR SARAF  
CHAIRMAN & MANAGING DIRECTOR**

### **DECLARATION OF THE MANAGING DIRECTOR & CEO**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company.

This is to further certify that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2012.

**By Order of the Board**

**Place: Mumbai,  
Date: 14<sup>th</sup> August, 2012**

**RAJ KUMAR SARAF  
CHAIRMAN & MANAGING DIRECTOR**



## COMPANY SECRETARY'S RESPONSIBILITY STATEMENT

The Company Secretary confirms that the Company has:

- i) maintained all the books of accounts and statutory registers required under the Companies Act, 1956 ("the Act") and the rules made thereunder;
- ii) filed Annual Reports and Annual Returns with the Registrar of Companies and also filed the documents time to time with Stock Exchanges;
- iii) not entered into any contract or transactions in terms of Section 297 of the Act;
- iv) not provided any loan to any Director of the Company in terms of Section 295 of the Act;
- v) paid remuneration to its managerial personnel within the limits specified in terms of Section 198, 309 read with Schedule XIII of the Act;
- vi) issued all notices required to be given for convening of Board Meetings, Committee Meetings and Annual General Meeting within the limit prescribed by Law;
- vii) conducted the Board Meetings, Committee Meetings and Annual General Meeting as per the Act;
- viii) complied with all the requirements relating to the Minutes of the proceedings of the Meetings of the Board of Directors, Committees and the Shareholders;
- ix) made the disclosures required under the Act including those required in pursuance of the disclosures made by the Directors;
- x) obtained all necessary approvals of the Directors, Shareholders and other Authorities as per the requirements;
- xi) not exceeded its borrowing powers;
- xii) paid dividend amounts to the Shareholders within the time limit prescribed;
- xiii) complied with the requirements of the Listing Agreement entered into with the Stock Exchanges;
- xiv) complied with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- xv) complied with the provision of SEBI (Prohibition of Insider Trading) Regulations, 1992.

**For Zenith Computers Ltd.**

**Place: Mumbai,  
Date: 14<sup>th</sup> August, 2012**

**RAMESH SANGHVI  
COMPANY SECRETARY**



**COMPUTERS LTD**

## 3 2 n d   A n n u a l   R e p o r t   2 0 1 1 - 2 0 1 2

C.L. KHANNA & CO.  
CHARTERED ACCOUNTANTS  
"CHIRANJEEV", PLOT NO. 8,  
GREATER BOMBAY C.H.S. LTD.,  
GULMOHAR CROSS ROAD NO.4,  
JVPD SCHEME,  
MUMBAI - 400 049  
Tel. : 2620 6678 ; 2620 3390;

To  
The Board of Directors,  
ZENITH COMPUTERS LIMITED  
B-5, Electronic Sadan 1,  
MIDC, TTC Area,  
Mahape,  
Navi Mumbai 400 709

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Zenith Computers Limited ("the Company"), for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an 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 on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such 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 C.L. KHANNA & CO.  
CHARTERED ACCOUNTANTS**

**Mumbai,  
14<sup>th</sup> August, 2012**

**C.L. KHANNA  
PROPRIETOR  
MEMBERSHIP NO. : 004988**





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## AUDITORS REPORT

### To The Members of Zenith Computers Limited

1. We have audited the attached Balance Sheet of **Zenith Computers Limited** as at 31<sup>st</sup> March, 2012 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books and proper returns adequate for the purposes of our audit have been received from the branches.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - (ii) In the case of Profit and Loss Account of the profit for the year ended on that date, and
  - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.

**For C.L. Khanna & Co.  
Chartered Accountants**

**Place: Mumbai  
Date: 14<sup>th</sup> August, 2012**

**(C.L. KHANNA)  
Proprietor  
(MEM.SHIP NO.004988)**



**COMPUTERS LTD**

## 3 2 n d   A n n u a l   R e p o r t   2 0 1 1 - 2 0 1 2

### ANNEXURE TO THE AUDITORS REPORT

#### Re: Zenith Computers Limited

(Referred to in paragraph 3 of our report of even date)

- (i) The nature of the Company's business activities during the year is such that Clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended on 31<sup>st</sup> March, 2012.
- (ii) In respect of Fixed Assets:
  - (a) The Company has maintained proper records to show full particulars, including quantitative details wherever feasible and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the Management periodically and the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year.
- (iii) In respect of Inventories:
  - (a) The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company, and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or

other parties covered in the register maintained under Section 301 of the Companies Act 1956.

- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
- (vi) In respect of particulars of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act 1956;
  - (a) To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the year in excess of Rs. 5 Lakhs in respect of each party have been made at prices that are reasonable having regard to the prevailing market prices of such goods, materials or services or the prices at which transaction for similar goods, materials or services have been made with other parties.
- (vii) The Company has not accepted any deposits from the public, consequently the provisions of Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- (viii) The Company's internal audit work is being carried out by M/s S R M & co., Chartered Accountants, Mumbai. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) The books of account maintained by the Company pursuant to the rules made by the



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Central Government for maintenance of cost records in respect of the Company's products under Section 209(1)(d) of the Companies Act, 1956, are broadly reviewed by us and we are of the opinion that prima facie, the prescribed accounts and records are maintained. We have not, however, made a detailed examination of the records, with a view to determining whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of Statutory and other dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year.

(b) The disputed statutory dues that are pending before appropriate authorities are as under:

SERIAL NO.	NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (RS. IN LAKHS)	FORUM WHERE DISPUTE IS PENDING
1	Central Sales tax Act, 1956 and Sales tax & VAT Acts of various States	Sales tax	203.56	Appellate Authorities/ Tribunal/ High Court
2	Customs Act, 1962	Custom duty	305.72	Dy Commissioner of Customs, Adjudication Cell, Mumbai
3	Central Excise Act, 1944	Excise duty	517.15	Assistant Commissioner of Central Excise (Adj), Goa
4	BMC Act, 1888	Property tax	19.83	Small Causes Court, Mumbai

(xi) The Company neither has accumulated losses at the end of the year, nor incurred cash losses during the current and the immediately preceding financial year.

(xii) Based on the Audit procedures and on the information and explanation given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.

(xiii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

(xv) The term loan taken was applied for the purposes for which it was taken.

(xvi) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

(xvii) The Company has not made any preferential allotment during the year.

(xviii) No securities have been created by issue of debentures during the year.

(xix) The Company has not raised any money by public issue during the year.

(xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For C.L. Khanna & Co.  
Chartered Accountants**

**Place: Mumbai  
Date: 14<sup>th</sup> August, 2012**

**(C.L. KHANNA)  
Proprietor  
(MEM.SHIP NO.004988)**



**COMPUTERS LTD**

**3 2 n d   A n n u a l   R e p o r t   2 0 1 1 - 2 0 1 2**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As at 31.03.2012		As at 31.03.2011	
		Rs.000's	Rs.000's	Rs.000's	Rs.000's
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	1	155000		155000	
Reserves & Surplus	2	285846	440846	409390	564390
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	3	565577		565577	
Deferred tax liabilities (Net)	4	47421		43865	
Other long-term liabilities	5	6614		7498	
Long-term provisions	6	20472	640084	18031	634971
<b>CURRENT LIABILITIES</b>					
Short-term borrowings	7	406846		378197	
Trade payables	8	118177		239684	
Other current liabilities	9	17814		34547	
Short-term provisions		0	542837	0	652428
<b>TOTAL</b>			<b>1623767</b>		<b>1851789</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
<b>Fixed Assets:</b>					
Tangible	10	687508		624893	
Intangible		0		0	
Non-current investments		0		0	
Deferred tax assets (Net)		0		0	
Long-term loans and advances	11	16457		12410	
Other non-current assets	12	52735	756700	47529	684832
<b>CURRENT ASSETS</b>					
Current investments		0		0	
Inventories	13	405099		487983	
Trade receivables	14	333326		557769	
Cash and cash equivalents	15	78356		63505	
Short-term loans and advances	16	6215		9920	
Other current assets	17	44071	867067	47780	1166957
<b>TOTAL</b>			<b>1623767</b>		<b>1851789</b>
<b>Significant Accounting Policies</b>					
<b>Notes on financial statements</b>	1 to 39				

The notes referred to above, form an integral part of the Balance Sheet

As per our Report of even date

C. L. KHANNA & CO.  
CHARTERED ACCOUNTANTS

For & On behalf of the Board of Directors

**C. L. KHANNA**  
PROPRIETOR  
(MEMBERSHIP NO.004988)

**RAJKUMAR SARAF**  
CHAIRMAN & MANAGING DIRECTOR

**VIJAY RAM MUKHI**  
DIRECTOR

MUMBAI,  
Dated: 14<sup>th</sup> August, 2012

**RAMESH SANGHVI**  
COMPANY SECRETARY



**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	2011-12 Rs.000's	2010-11 Rs.000's
<b>INCOME :</b>			
Revenue from operations	18	1804404	1923221
Other Income	19	4522	5106
Total Revenue		1808926	1928327
<b>EXPENDITURE :</b>			
Cost of materials and spares consumed	20	1474128	1418517
Changes in inventories of finished goods work-in-progress and stock-in-trade	21	16479	127527
Employee benefits expense	22	73269	92062
Finance costs	23	99880	29899
Depreciation and amortization expense		16010	120203
Other expenses	24	108319	111694
Total Expenses		1788085	1899902
Profit before exceptional items and tax		20841	28425
Exceptional items		0	(891)
<b>Profit before tax</b>		20841	27534
Tax expense			
Current tax		4200	5427
Less: MAT credit entitlement		(4200)	(5427)
Deferred tax		3556	4877
<b>Profit for the year</b>		17285	22656
Basic & Diluted Earnings per Share of face value of Rs.10 each fully paid (Rs.)		1.12	1.46

**Significant Accounting Policies**

**Notes on financial statements**

1 to 39

The notes referred to above, form an integral part of the Balance Sheet

As per our Report of even date

C. L. KHANNA & CO.  
CHARTERED ACCOUNTANTS

For & On behalf of the Board of Directors

**C. L. KHANNA**  
PROPRIETOR  
(MEMBERSHIP NO.004988)

**RAJKUMAR SARAF**  
CHAIRMAN & MANAGING DIRECTOR

**VIJAY RAM MUKHI**  
DIRECTOR

MUMBAI,  
Dated: 14<sup>th</sup> August, 2012

**RAMESH SANGHVI**  
COMPANY SECRETARY



**COMPUTERS LTD**

## 3 2 n d   A n n u a l   R e p o r t   2 0 1 1 - 2 0 1 2

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **A) Basis of Preparation of Financial Statements**

- a) The Financial Statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

#### **B) Accounting Standards**

Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 have been followed wherever applicable.

#### **C) Fixed Assets and Depreciation**

- a) Fixed Assets are stated at cost of acquisition or construction and include amounts added on revaluation less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising out of exchange rate variations attributable to the fixed assets are capitalized.
- b) Depreciation on Fixed Assets, is provided on the basis of Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. No depreciation is charged on the appreciation on revaluation of the fixed assets.

#### **D) Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **E) Foreign Currency Transactions**

- a) Transactions denominated in Foreign Currencies are normally recorded at the exchange rate prevailing at the time of the transactions or that exchange rate which approximates the actual rate at the date of the transaction.
- b) Gains and losses on Foreign Exchange Transactions other than those relating to fixed assets are charged to the Profit and Loss account.
- c) Monetary items denominated in foreign currencies at the year end are restated at year end rates as per AS11.

#### **F) Investments**

Long Term Investments are stated at cost. Current Investments are stated at cost or quoted/fair value whichever is lower. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

#### **G) Inventories**

Items of inventory are valued at cost or net realizable value, whichever is lower, after providing for obsolescence, if any, and on a first-in, first-out (FIFO) basis. Cost of inventories comprises of cost of purchase, costs of conversion and other costs incurred in bringing them to their respective present location and condition.



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#### **H) Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. The revenue from Sales & Services includes sale of goods, services, excise duty, service tax, sales tax/VAT and are net of discounts and sales returns. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

#### **I) Excise duty/ Service tax/ Sales tax/ VAT**

Excise duty / Service tax is accounted for on the basis of payments made in respect of goods cleared/ services provided. Sales tax/VAT paid is charged to Profit and Loss account.

#### **J) Employee Retirement Benefits**

- a) Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered. Company's contributions to Provident Fund/ Family Pension Fund and Employee's State Insurance Scheme during the year are charged to Profit and Loss account.
- b) Post employment and other Long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services at the present value of the amounts payable. Gratuity is charged to Profit and Loss account on the basis of actuarial valuation as required by AS 15 issued by ICAI.

#### **K) Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

#### **L) Provision for Current and Deferred tax**

Provision for current tax is made as per the applicable provisions of the Income Tax Act, 1961. The Deferred tax resulting from 'timing differences' between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

#### **M) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements except in accordance with the Accounting Standards.

#### **N) Segment Reporting**

The Company operates in a single business segment.

#### **O) Research and Development Expenses**

Expenditure related to Capital items is debited to fixed assets and depreciated at applicable rates. Revenue expenditure is charged to Profit and Loss Account of the year in which they are incurred.



**COMPUTERS LTD**

## 3 2 n d   A n n u a l   R e p o r t   2 0 1 1 - 2 0 1 2

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

	As at 31.03.2012		As at 31.03.2011	
	Rs.000's	Rs.000's	Rs.000's	Rs.000's
<b>NOTE 1</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
50,00,000 Unclassified Shares of Rs.10/- each		<b>50000</b>	50000	
2,70,00,000 Equity Shares of Rs.10/- each		<b>270000</b>	270000	
		<u>320000</u>	<u>320000</u>	
<b>ISSUED AND SUBSCRIBED:</b>				
1,55,25,440 Equity Shares of Rs.10 each		<b>155254</b>	155254	
<b>PAID UP</b>				
1,54,80,840 Equity Shares of Rs.10 each fully paid		<b>154808</b>	154808	
Add : Forfeited Shares (44600 shares)		<b>223</b>	223	
Less : Calls In Arrears - by others		<b>(31)</b>	(31)	155000
		<u>155000</u>	<u>155000</u>	

#### The details of Shareholders holding more than 5% shares:

Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Rajkumar Saraf	<b>964,534</b>	<b>6.23</b>	964,534	6.23
Rajkumar Saraf (H.U.F.)	<b>2,791,087</b>	<b>18.03</b>	1,433,867	9.26
Vijayrani Saraf	<b>1,000,000</b>	<b>6.46</b>	1,000,000	6.46
Akash Saraf	<b>1,000,000</b>	<b>6.46</b>	1,000,000	6.46
Devita Saraf	<b>961,910</b>	<b>6.21</b>	961,910	6.21
Zenith Technologies Pvt Ltd	<b>1,616,304</b>	<b>10.44</b>	1,616,304	10.44
Gopi Saraf	-	-	1,357,220	8.77

#### **Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period**

	No. of Shares	No. of Shares
Equity shares at the beginning of the year	<b>15,480,840</b>	15,480,840
Movement during the year	<b>NIL</b>	NIL
Equity shares at the end of the year	<b>15,480,840</b>	15,480,840





	As at 31.03.2012		As at 31.03.2011	
	Rs.000's	Rs.000's	Rs.000's	Rs.000's
<b>NOTE 2</b>				
<b>RESERVES &amp; SURPLUS :</b>				
<b>Revaluation Reserve</b>				
As per last Balance Sheet	141456		0	
Add: During the year	0		141456	
Less: Adjustments	(140829)	627	0	141456
<b>General Reserve</b>				
As per last Balance Sheet	257311		264352	
Add: Mat Credit entitlement of earlier years	0		31947	
Less: Deferred tax provision for earlier years	0	257311	(38988)	257311
<b>Profit and Loss account</b>				
As per last Balance Sheet	10623		4214	
Add: Transferred from Profit and Loss account	17285		22656	
	27908		26870	
<u>Less: Appropriations:</u>				
Proposed Dividend on Equity Shares	0		13933	
[Dividend per share Rs.NIL (previous year Rs.0.90)]				
Tax on Proposed Dividend	0		2314	
Transferred to General Reserve	0	27908	0	10623
		285846		409390
<b>NOTE 3</b>				
<b>Long-term borrowings</b>				
<b>Secured:</b>				
Term Loan from Banks (due for payment in March 2013)	200000		200000	
(Term loan from Bank is secured by a first charge on the fixed assets and second charge on current assets)				
<b>Unsecured:</b>				
Foreign Currency Convertible Bonds (FCCB)	365577	565577	365577	565577



**COMPUTERS LTD**

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	<b>As at 31.03.2012</b>		<b>As at 31.03.2011</b>	
	<b>Rs.000's</b>	<b>Rs.000's</b>	<b>Rs.000's</b>	<b>Rs.000's</b>
<b>NOTE 4</b>				
<b>Deferred tax liabilities (Net)</b>				
Related to Fixed Assets		<u><b>47421</b></u>		<u><b>43865</b></u>
<b>NOTE 5</b>				
<b>Other Long-Term Liabilities</b>				
Security Deposit received from Dealers		<u><b>6614</b></u>		<u><b>7498</b></u>
<b>NOTE 6</b>				
<b>Long-Term Provisions</b>				
Provision for taxation	<u><b>13965</b></u>		<u><b>11870</b></u>	
Provision for gratuity	<u><b>6507</b></u>	<u><b>20472</b></u>	<u><b>6161</b></u>	<u><b>18031</b></u>
<b>NOTE 7</b>				
<b>Short-Term Borrowings</b>				
Working Capital Borrowing from Banks (Working Capital borrowings from banks are secured by way of hypothecation of Inventories, Book Debts and by way of second charge on Fixed Assets)	<b>62536</b>		<b>195611</b>	
Acceptances	<u><b>344310</b></u>	<u><b>406846</b></u>	<u><b>182586</b></u>	<u><b>378197</b></u>
<b>NOTE 8</b>				
<b>Trade Payables</b>				
Sundry Creditors		<u><b>118177</b></u>		<u><b>239684</b></u>

(For compliance with MSMED Act, 2006, requisite information was sought from the Vendors. As per the information available with the Company, the amounts payable under the MSMED Act, 2006 is NIL)



Laptops



Smart Style PCs

As at 31.03.2012  
Rs.000's      Rs.000's      As at 31.03.2011  
Rs.000's      Rs.000's

**NOTE 9**

**Other Current Liabilities**

Interest payable on FCCB (coupon rate)	914		279	
Interest on on Term Loan (Accrued and due)	2247		2041	
Unclaimed dividend	6667		5877	
Statutory liabilities	3881		4477	
Proposed dividend	0		13933	
Payable to staff	4105	17814	7940	34547

**NOTE 10**

**FIXED ASSETS (TANGIBLE)**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 1.4.11	ADDI-TIONS	SALE/ ADJ	COST AS ON 31.3.12	UPTO 31.3.11	FOR THE YEAR 1.4.11-31.3.12	DEDUCTED ON SALE/ADJ	UPTO 31.3.12	AS ON 31.3.12	AS ON 31.3.11
	Rs.000's	Rs.000's	Rs.000's	Rs.000's	Rs.000's	Rs.000's	Rs.000's	Rs.000's	Rs.000's	Rs.000's
LAND (LEASEHOLD)	111568	0	0	111568	0	0	0	0	111568	111568
BUILDING	215256	0	0	215256	18435	3451	0	21886	193371	196821
PLANT & EQUIPMENT	9074	0	0	9074	3962	431	0	4393	4681	5112
COMPUTERS SYSTEMS	712253	219231	512950	418535	411046	10029	371960	49115	369419	301207
ELECTRICAL FITTINGS & INSTALLATION	3927	0	0	3927	2579	187	0	2766	1161	1348
OFFICE EQUIPMENT	13969	125	0	14094	7872	666	0	8538	5556	6097
FURNITURE & FIXTURES	12650	259	0	12909	11344	807	0	12151	758	1306
VEHICLES	4701	0	0	4701	3267	439	0	3706	994	1434
<b>TOTAL →</b>	<b>1083398</b>	<b>219615</b>	<b>512950</b>	<b>790063</b>	<b>458505</b>	<b>16011</b>	<b>371960</b>	<b>102556</b>	<b>687508</b>	<b>624893</b>
<b>PREVIOUS YEAR →</b>	<b>928236</b>	<b>166056</b>	<b>10894</b>	<b>1083396</b>	<b>471508</b>	<b>120203</b>	<b>133205</b>	<b>458505</b>	<b>624892</b>	<b>456727</b>

NOTE : 1) Opening balance of Buildings includes inter alia Rs.39106 towards revaluation in the year 2008-09  
 2) Opening balance of Land, Buildings includes inter alia, Rs.66108 and Rs.75348 respectively, towards revaluation in the year 2010-11.  
 3) The depreciation on Computer Systems has been charged at 4% as against 16.21% (SLM), consequently, the total depreciation on fixed assets has been provided at Rs.160.10 lakhs for the year as against Rs.466.50 lakhs.

**NOTE 11**

**Long-term loans and advances**

(Unsecured and considered good)

Advance taxes	10424		7778	
Security Deposits	6033		4632	
		16457		12410



**COMPUTERS LTD**

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	<b>As at 31.03.2012</b>		<b>As at 31.03.2011</b>	
	<b>Rs.000's</b>	<b>Rs.000's</b>	<b>Rs.000's</b>	<b>Rs.000's</b>
<b>NOTE 12</b>				
<b>Other non-current assets</b>				
MAT entitlement credit	41574		37374	
Insurance claim receivable	1228		1228	
Deposits with Govt, Court & municipal authorities	9933	52735	8927	47529
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NOTE 13</b>				
<b>Inventories</b>				
Raw material	341289		404301	
Work-in-progress	4614		6285	
Finished goods	13605		28413	
Stores and spares	45591	405099	48984	487983
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>(Mode of valuation: lower of cost or net realisable value - FIFO basis)</b>				
<b>NOTE 14</b>				
<b>Trade receivables</b>				
(Unsecured and considered good)				
Over six months	10739		20878	
Others	322587	333326	536891	557769
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
[Debts due by a private limited company in which two directors are members Rs.884.41 lakhs (previous year Rs.1408.78 lakhs), since received Rs.345.00 lakhs]				
<b>NOTE 15</b>				
<b>Cash and cash equivalents</b>				
Cash on hand	468		188	
Balances with banks	13390		37345	
Balances with banks - Unclaimed Dividend	6667		5877	
Fixed deposit with banks - Margin money	57400		19877	
(Margin money includes fixed deposits of Rs.7097 with maturity of more than 12 months (previous year Rs. NIL))				
Others	431	78356	218	63505
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



	As at 31.03.2012		As at 31.03.2011	
	Rs.000's	Rs.000's	Rs.000's	Rs.000's
<b>NOTE 16</b>				
<b>Short-term loans and advances</b>				
(Unsecured and considered good)				
<b>Others:</b>				
Deposits	4815		7484	
Advances to Staff	635		822	
Advance to Related Parties	0		133	
(Represents expenses incurred on their behalf, to be reimbursed)				
Advances to Vendors	765	6215	1481	9920
<b>NOTE 17</b>				
<b>Other current assets</b>				
Deposits with Govt	39884		39562	
Prepaid expenses	2816		4306	
Interest on fixed deposits accrued but not due	190		112	
Others	1181	44071	3800	47780
<b>NOTE 18</b>				
<b>Revenue from Operations</b>				
Sale of products	1835530		1985080	
Sale of services	57898		50766	
Other operating revenues	1136		4859	
	1894564		2040705	
Less: Excise duty and Service tax	(90160)	1804404	(117484)	1923221
<b>NOTE 19</b>				
<b>Other income</b>				
Interest on fixed deposit (margin money) with banks	3112		1615	
Net gain on sale of investments	1269		70	
Other non-operating income	141	4522	3421	5106
<b>NOTE 20</b>				
<b>Cost of material and spares consumed</b>				
Opening Stock	453285		342423	
Add : Purchases	1407723		1529379	
	1861008		1871802	
Less: Closing Stock	386880	1474128	453285	1418517
<b>NOTE 21</b>				
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>				
Opening Stock	34698		162225	
Closing Stock	18219	16479	34698	127527



**COMPUTERS LTD**

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	<b>As at 31.03.2012</b>		<b>As at 31.03.2011</b>	
	<b>Rs.000's</b>	<b>Rs.000's</b>	<b>Rs.000's</b>	<b>Rs.000's</b>
<b>NOTE 22</b>				
<b>Employee benefits expense</b>				
Salaries, wages, bonus, gratuity	<b>69529</b>		87339	
Contribution to P.F.,E.S.I.C. and other funds	<b>2383</b>		3469	
Staff Welfare	<b>1357</b>	<b>73269</b>	1254	92062
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NOTE 23</b>				
<b>Finance costs</b>				
Interest expenses	<b>56157</b>		31734	
Other borrowing costs	<b>821</b>		1254	
Loss/(gain) on foreign currency transactions	<b>42902</b>	<b>99880</b>	(3089)	29899
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NOTE 24</b>				
<b>Other expenses</b>				
Electricity Charges	<b>2428</b>		2650	
Technical Seminars	<b>1</b>		9	
Conveyance	<b>8360</b>		8032	
Tours & Travel	<b>11508</b>		13519	
Printing & Stationery	<b>1796</b>		1598	
Directors Sittings Fees	<b>740</b>		660	
Telephone,Telex,Postage & Courier	<b>7281</b>		7642	
Rent	<b>4511</b>		3110	
Rates & Taxes	<b>712</b>		379	
Insurance	<b>976</b>		832	
Coolie,Cartage,Clearing & Forwarding	<b>12250</b>		16516	
Subscriptions,Newspapers & Periodicals	<b>929</b>		1059	
Legal & Professional	<b>9184</b>		8603	
Vehicle Expenses	<b>797</b>		754	
Bank charges	<b>13694</b>		11067	
Sales Tax/VAT	<b>9583</b>		4270	
Repairs & Maintenance	<b>1146</b>		2333	
Office expenses	<b>6742</b>		10398	
Advertisement,Publicity & Sales Promotion	<b>7976</b>		8495	
Conference	<b>0</b>		870	
Demonstrations	<b>27</b>		31	
Prior year expenses/(income)	<b>193</b>		(731)	
Bad Debts written off	<b>3853</b>		3789	
Commission on Sales	<b>3168</b>		5527	
Auditors Remuneration :	<b>351</b>		351	
	<b>2011-12</b>	<b>2010-11</b>		
Audit Fees	<b>326</b>	326		
Tax Audit Fees	<b>25</b>	25		
Excess provision for income tax of earlier years	<b>(73)</b>		(301)	
Miscellaneous Expenses	<b>186</b>		232	111694
	<hr/>	<hr/>	<hr/>	<hr/>



**NOTE 25**

**Consumption of stores and spare parts**

The consumption of stores and spare parts represents components supplied to the customers under warranty or maintenance contract. As the same raw material is used for production as well as, for after sales service/warranty / maintenance, a precise valuation of stores and spares consumed cannot be determined.

	As at 31.03.2012		As at 31.03.2011	
	Rs.000's	Rs.000's	Rs.000's	Rs.000's
<b>NOTE 26</b>				
<b>Value of imports on CIF basis</b>				
Raw material and spares	866176		921875	
Capital goods	134144		NIL	
		<b>1000320</b>		<b>921875</b>

**NOTE 27**

**Expenditure in foreign currency**

Purchases (included in Note 26 above)	909852	847754
Interest	635	2099
Foreign Travel	523	775
Communication expenses	323	301
Financial expenses	0	848
Others	584	516

**NOTE 28**

**Value of Indigenous and Imported raw material and spares consumed**

	Rs.000's	% of Total	Rs.000's	% of Total
a. Imported	Mixed	Mixed	Mixed	Mixed
b. Indigenous	Mixed	Mixed	Mixed	Mixed
<b>Total</b>	<b>1474128</b>		<b>1418517</b>	

**NOTE 29**

**Remittance in foreign currency on account of dividend**

NIL NIL



**COMPUTERS LTD**

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	As at 31.03.2012		As at 31.03.2011	
	Rs.000's	Rs.000's	Rs.000's	Rs.000's
<b>NOTE 30</b>				
<b>Earnings in foreign exchange</b>				
FOB value of exports		21039		NIL
Royalty, Knowhow, Professional and consultation fees		NIL		NIL
Interest and dividend		NIL		NIL
Other income		NIL		NIL
<b>NOTE 31</b>				
<b>Contingent liability</b>				
Bank guarantees		126240		129062
Unexpired Letters of Credit		16517		NIL
Accreted value on FCCB principal		85616		77025
<b>Claims against the Company, not acknowledged as debt:</b>				
Sales tax		20356		18339
Custom duty		30572		30572
Excise duty		51715		NIL
Municipal property tax		1983		1483
Others		3417		3417
(Income tax assessments have been completed upto Assessment Year 2009-10)				
<b>NOTE 32</b>				
<b>Related Party Disclosures:</b>				
<b>a) List of Related Parties:</b>				
(i) Zenith Infotech Ltd.				
(ii) Vu Technologies Pvt. Ltd.				
(iii) Zeal Communications Pvt. Ltd.				
(iv) Zenith Controls and Systems Pvt. Ltd.				
(v) Zenith Software Ltd.				
(vi) Zenith Technologies Pvt. Ltd.				
<b>b) Transactions during the year with the Related Parties:</b>				
		<b>2011-12</b>		<b>2010-11</b>
		<b>Rs.000's</b>		<b>Rs.000's</b>
(i) Sales		319641		294561
(ii) Purchases		100600		66156
(iii) Reimbursement of expenses		16829		12419
(iv) Outstanding Receivables		88441		165652
(v) Outstanding Payables		NIL		15271





Laptops



Smart Style PCs

### 33. Current and Deferred Taxation in accordance with AS22

- a) The income tax provision on MAT basis for the current year Rs.42.00 lakhs has been recognized in the Books as a Deferred Tax Asset as 'MAT credit entitlement' by crediting the same to the Profit and Loss account.
- b) Deferred tax for the current year amounting to Rs. 0.36 crores (previous year Rs.0.49 crores) has been provided for in the Profit and Loss account. The total deferred tax liability as on 31.3.2012 is Rs.4.74 crores (previous year Rs. 4.39 crores).
- c) As per the provisions of the Income Tax Act, 1961, the Company is entitled to Minimum Alternative Tax (MAT) credit of Rs.4.16 crores as on 31.3.2012 (previous year Rs.3.73 crores), which is recognized in the Books as a Deferred Tax Asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India.

34. Provision for Bonus for current year has been made in the Accounts.

35. The 0.50% Foreign Currency Convertible Bonds (due 2011), appearing under Note 3, are yet to be paid and the consequent value accreted thereon has not been restated.

### 36. Disclosure under the Micro, Small and Medium Enterprises Act, 2006:

For compliance with MSMED Act, 2006, requisite information was sought from the Vendors. As per the information available with the Company, the amounts payable under the MSMED Act, 2006 is NIL.

37. In the opinion of the Board, the Assets other than fixed assets are approximately of the value, if realized, during the ordinary course of business.

38. The amounts in the Balance Sheet and Profit and Loss Account are rounded off to the nearest thousands.

39. The figures of Previous Year have been regrouped and reclassified wherever necessary.

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As per our report of even date attached.

C.L. KHANNA & CO.  
CHARTERED ACCOUNTANTS

**C.L. KHANNA**  
PROPRIETOR  
(MEM.SHIP NO. 004988)

MUMBAI,  
Dated : 14<sup>th</sup> August, 2012

For and on behalf of the Board of Directors

**RAJKUMAR SARAF**  
CHAIRMAN & MANAGING DIRECTOR

**RAMESH SANGHVI**  
COMPANY SECRETARY

**VIJAY RAM MUKHI**  
DIRECTOR



**COMPUTERS LTD**

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### CASH FLOW STATEMENT

	2011-12	2011-12	2010-11	2010-11
	RS.000'S	RS.000'S	RS.000'S	RS.000'S
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX		20841		27534
ADJUSTMENTS FOR:				
DEPRECIATION	16011		120203	
(PROFIT)/LOSS ON SALE OF INVESTMENTS	(1269)		0	
INTEREST RECEIVED	(3112)		(1216)	
INTEREST PAID & FOREX FLUCTUATION	99880		32979	
DIVIDEND RECEIVED	0	111510	(2)	151964
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>132351</b>		<b>179498</b>
ADJUSTMENTS FOR:				
TRADE AND OTHER RECEIVABLES	231857		(283728)	
INVENTORIES	82884		16665	
TRADE AND OTHER PAYABLES	(92998)		328905	
		<b>221743</b>		<b>61842</b>
<b>CASH GENERATED FROM OPERATIONS</b>		<b>354094</b>		<b>241340</b>
- INTEREST PAID & FOREX FLUCTUATION		(99880)		(32979)
- DIRECT TAXES PAID		(2864)		34481
CASH FLOW BEFORE EXTRAORDINARY ITEMS		<b>251350</b>		<b>242842</b>
PRIOR PERIOD ADJUSTMENTS		0		0
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>251350</b>		<b>242842</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
PURCHASE/SALE OF FIXED ASSETS (NET)	(78626)		(146910)	
REVALUATION RESERVE UTILISED - FIXED ASSETS WRITE OFF	(140829)		0	
INTEREST RECEIVED	3112		1216	
DIVIDEND RECEIVED	0		2	
PROFIT/(LOSS) ON SALE OF INVESTMENTS	1269		0	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(215074)</b>		<b>(145692)</b>



### CASH FLOW STATEMENT

	2011-12 RS.000'S	2011-12 RS.000'S	2010-11 RS.000'S	2010-11 RS.000'S
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
BUYBACK OF FCCB	0		(72506)	
OTHER LONG-TERM LIABILITIES	(884)		(3865)	
LONG-TERM LOANS & ADVANCES/ OTHER NON-CURRENT ASSETS	(6608)		(47076)	
DIVIDEND PAID	(13933)		(13933)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(21425)</b>		<b>(137380)</b>
NET INCREASE/DECREASE IN CASH & CASH EQUIVALENT		<b>14851</b>		<b>(40230)</b>
CASH & CASH EQUIVALENTS AS ON 1ST APRIL, 2011		<b>63505</b>		103735
CASH & CASH EQUIVALENTS AS ON 31ST MARCH, 2012		<b>78356</b>		63505
		<b>14851</b>		<b>(40230)</b>

FOR AND ON BEHALF OF THE BOARD,

MUMBAI  
Dated: 14<sup>th</sup> August, 2012

**RAMESH SANGHVI**  
Company Secretary

**VIJAY RAM MUKHI**  
Director

**RAJKUMAR SARAF**  
Chairman & Managing Director

### Auditors' Certificate

We have examined the above cash flow statement of **Zenith Computers Ltd.** for the year ended **31st March, 2012**. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with Stock Exchange and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 14<sup>th</sup> August, 2012 to the members of the Company

MUMBAI  
Dated: 14<sup>th</sup> August, 2012

For C.L. KHANNA & CO.  
Chartered Accountants  
**C.L. KHANNA**  
Proprietor  
(MEM.SHIP NO.004988)



**COMPUTERS LTD**

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