

ZENITH CAPITALS LIMITED

Regd Off: 307 SHARDA CHAMBERS NEWMARINE LINES, Mumbai - 400 020.
Corp. Off: 204, Maker Bhavan No.3, New Marine Lines, Mumbai - 400 020
Tel : 22030095/96 Fax No:022-22063608 Email Id: balaiisteel@hathway.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that Twenty Eighth Annual General Meeting of the members of Zenith Capital Limited will be held on Friday, 30th September, 2011 at 02.30 p.m. at the Registered Office of the company at 307/308, Sharda Chambers New Marine Lines, Mumbai - 400 020 to transact the following business :

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 alongwith the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
02. To appoint a Director in place of Mr. Lalmani Tiwari, who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint M/s. Kala Jain & Co, Chartered Accountants having Firm Registration No.127886W as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration

NOTES :

01. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, but so that every proxy so appointed shall be a member of the company. Proxies in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.
02. The Register of Members and the Share Transfer Books of the company will remain closed from 25/09/2011 to 30/09/2011 (both days inclusive).

[Cont...2]

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03. Members seeking any information with regard to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
04. Members are requested to notify immediately any change in their address to the company.

By Order of the Board of Directors

Sd/-

Director

Date : 02/09/2011

Place : Mumbai

Registered Office :

307/308, Sharda Chambers New Marine Lines,
Mumbai - 400 020

ZENITH CAPITALS LIMITED

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Annual Report of the Company Audited accounts for the year ended 31st March, 2011.

Financial Results :

During the year under review the Company has incurred Net loss of Rs.24,038/- compared to Previous Year's Net loss of Rs. 9,103/- after making Provision for Taxation.

The Company has not been active for the past seven years due to a severe financial crisis, for the past three years the Company was in the process of gradually liquidating all debts with various Banks and Financial institutions. Your Directors are glad to report that during the year under review the Company has closed all loans and is a debt free company from this year. The entire amounts required for closing the debts was bought in by the directors and is reflected as unsecured loans in the Balance Sheet. The Directors feel that having addressed the issue of clearing the debts, it is and appropriate time to start planning for the future. It is sincere intention of the Directors to bring value to the Shareholders. But the current economic environment being what it is we will have to choose our path with care and caution.

Your Directors are pleased to report that a study for the revival of the Zenith Capitals Limited is already commissioned and is underway. The assignment has been entrusted to a reputed consultancy organization who will examine the feasibility including the strategy. It is expected that the launch could be sometime in 2013.

Your Directors are also looking and examining other business options including acquisition of running businesses as well as other good viable opportunities where some value and synergies can be perceived. It is our Objective that we commence activities in 2011. We would like to see that Company is en route to generating a healthy top line and bottom line from 2013 onwards.

[Cont...2]

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Dividend :

In view of losses incurred, Your Directors do not propose any dividend for the year ended 31st March, 2011.

Public Deposits :

During the year under review, Your Company has not accepted any fixed deposits from the public within the meaning of section 58A of the Companies Act, 1956.

Directors :

In terms of the Article of Association of the company and as per Provisions of the Companies Act, 1956, Mr. Lalmani Tiwari, Director of the company retires by rotation and being eligible offers himself for re appointment.

Auditors :

M/s. Kala Jain & Co, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible, has consented to act as the Statutory Auditors of the Company, if re-appointed.

You are requested to appoint the Statutory Auditors for the Financial Year 2011-2012 and authorize the Board of Directors to fix their remuneration.

Auditors Remark :

The observation made by the Auditors for the year under report are self-explanatory and need no further comments from Directors.

Particulars Of Employees :

There are no employee drawing remuneration more than the limit prescribed in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Report of Board of Directors) Rules, 1988. Therefore no information is provided in this report.

[Cont...3]

Listing agreements requirements:

The securities of your company are listed at Bombay Stock Exchange Limited. Trading in company's securities remain suspended at Stock Exchanges for various reasons including non-submission of documents and all possible steps are being taken by the management to get shares traded at the floor of the Exchange.

Buy-Back Of Shares

There was no buy-back of shares during the year under review.

Energy Conservation, Technology Absorption And Foreign Exchange :

Details regarding conservation of energy pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earning and out go are not given since the Company is not scheduled industries pursuant to the said rule. The Company has neither earned nor spent any foreign exchange during the year under review.

Directors Responsibility Statement :

The Directors of the Company confirm pursuant to Section 217(2AA) of the Companies Act, 1956 that:

1. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
2. They had 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 and of the profit of the Company for that year;
3. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They had prepared the annual accounts on a going concern basis.

.....4.....

SECRETATIAL COMPLIANCE CERTIFICATE

Your directors attach the Compliance Certificate issued by Practicing Company Secretaries, as per the proviso Under Section 383A of the Companies Act, 1956.

Acknowledgment :

Your Directors acknowledges with gratitude and wish to place on record, their appreciation for the support and co-operation received by the Company from the various Government authorities, Bankers and Shareholders during the year.

For and on behalf of the Board

Sd/-

Director

Date : 02/09/2011

Place : Mumbai

Registered Office :

307/308, Sharda Chambers New Marine Lines,
Mumbai - 400 020

CLIENT COPY

KALA JAIN & CO.

CHARTERED ACCOUNTANTS

203/204, Daulat Bhavan, 2nd Floor, 407, Kalhadevi Road, Mumbai-400 002.
E-mail: contactus@kalajain.com Website: www.kalajain.com

Tel. : 022-3215 2224
: 022-2207 4442
Telefax : 022-2207 5552

AUDITORS REPORT

To
The Members of **Zenith Capitals Ltd.**

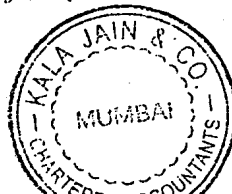
1. We have audited the annexed Balance Sheet of **M/s. Zenith Capitals Ltd.** as at 31st March 2011, and also the Profit and Loss Account and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the 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 from any material misstatement. An audit includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.

4. Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b. In our opinion, proper books of accounts, except compliance with accrual concept in the matters stated in Para (f) below, as required by law have been kept by the Company, so far as appears from our examination of those books;
- c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, except Note no.2 of B of Schedule 12, regarding non provision of Rs. 28,20,576/- for diminution in the value of long term investment as required by Accounting Standard 13 "Accounting for Investment" issued by Institute of Chartered Accountant of India, and regarding non Provision of impairment loss in the value of fixed assets as



required by AS-28 "Impairment of Assets" issued by Institute of Chartered Accountant of India, the attached Balance Sheet and Profit and Loss Account is in compliance with the accounting standards referred to in sub-section (3C) of section 211 Companies ACT, 1956 to extent applicable.

e. On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 (1) (g) of the Companies Act, 1956;

f. We further report that:-

i) The company has granted interest free loan during the and cumulative amount of interest free loan granted is Rs.1,53,05,000/- (P. Y. Rs. 1,53,05,000/-) which is in contravention of section 372A of the Companies Act, 1956. (Refer Note No. 6 of B of Schedule '12').

ii) No Provision has been made for diminution in the value of long term investment amounting to Rs. 28,20,576/- (P.Y. 28,20,576/-) as required by Accounting Standard 13 "Accounting for Investments". (Refer Note No. 2 of B of Schedule '12').

iii) Note No. 9 of B of Schedule '12' regarding non ascertainment of creditors falling under Micro, Small and Medium Enterprises Development Act, 2006 and consequent non-provision of Interest on amounts due to such creditors, the resulting impact thereof on the account is not ascertainable.

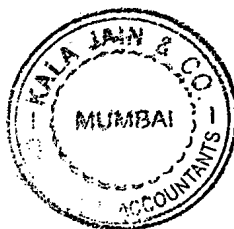
iv) The balances of sundry Debtors, sundry creditors, deposits loans & Advances unsecured loans are subject to confirmation, reconciliation and consequential adjustment. The consequential impact thereof on the account is not ascertainable. (Refer Note No. 10 of B of Schedule '12')

g) We further report that, without considering item mention at para (f)(i) (iii) & (iv) above, the effect of which could not be determined, had the observation made by us in paragraph d & f (ii) above has been considered, the loss for the year would have been Rs. 28,44,594/- as against the reported figure of Rs. 24,038/-, Accumulated loss would have been Rs. 23,38,924/- (as against reported figure of reserve and surplus of Rs. 4,81,652/-) and Investment would have been Rs. 5,75,569/- (as against reported figure Rs. 33,96,145/-).

h) Owing to the significance of the matters discussed in the preceding paragraphs, our comments in the annexure to the report and our opinion that the going concern assumption used in the preparation of the financial statements being inappropriate, we are of the opinion that the said financial statements **do not** give true and fair view.

i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and

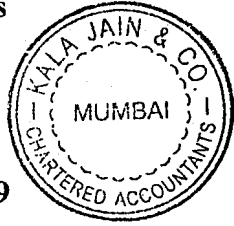
ii) In the case of the Profit & Loss Account, of the loss for the year ended on that date.



iii) *In the case of the cash flow Statement, of the cash flows for the year ended on that date.*

For and on behalf of
Kala Jain & Co.
Chartered Accountants

Suparsh Kala
Partner
Suparsh Kala
Membership No.114419
Mumbai :



5 AUG 2011

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITORS REPORT OF
EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31st March 2011.**

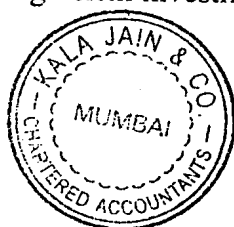
On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- i. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) We have been informed that most of the fixed assets have been physically verified by the management during the year. In our opinion, frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) During the year, the Company has not disposed off any substantial part of the fixed assets.
- ii. a) The Inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of the inventory 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 is maintaining proper records of the inventory and no material discrepancies were noticed on physical verification between the physical stock and book records.
- iii. a) The Company has granted interest free unsecured loan to three company covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,53,05,000/- and the year-end balance of loans granted to such party was Rs. 1,53,05,000/-.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are, *prima facie prejudicial to the interest of the company*.
- c) The said interest free loan given to the company was repayable on demand and there is no repayment schedule.
- d) In view of (c) above, the said clause 4 (iii) (d) of the Order is not applicable.
- e) The Company has not taken any loans, secured loans or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 provisions of clause 4(iii) (f) and (g) are not applicable to the Company.
- iv. 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 with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contract or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA



or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. No order has been passed by the company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vii. *During the year under review the Company did not have an internal audit system in place.*
- viii. The Central Government has not prescribed for maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies ACT, 1956.
- ix. a) According to the information and explanation given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other material statutory dues applicable to it *except Profession Tax where some delay has been observed.* According to the information and explanations given to us, there are no undisputed arrear of statutory dues were outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.
b) According to the information and explanation given to us, there are no statutory dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, authorities on account of any disputes.
- x. The accumulated losses of the company are not more than fifty percent of its net worth. (also refer point (4) (f) (ii) (g) of the main report). *The company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.*
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank.
- xii. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- xiv. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the companies (Auditors Report) Order 2003, are not applicable to the company.
- xv. The Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the Company has not raised any term loans during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that there no funds raised on short – term basis that have been used for long - term investment.

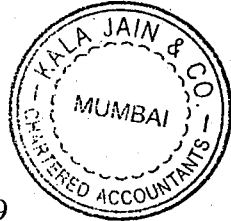


- xviii. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any monies from public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For and on behalf of
Kala Jain & Co.
Chartered Accountants

Suparsh Kala

Partner
Suparsh Kala
Membership No.114419
Mumbai



5 AUG 2011

ZENITH CAPITALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
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SOURCES OF FUNDS

SHARE HOLDER'S FUNDS

Share Capital	1	19186000	19186000
Reserve & Surplus	2	481652	505690
		<u>19667652</u>	<u>19691690</u>

APPLICATION OF FUNDS

FIXED ASSETS

Gross Block	3	590805	590805
Less: Depreciation		<u>590805</u>	<u>586445</u>
Net Block			4360

INVESTMENTS

CURRENT ASSETS LOAN & ADVANCES

Stock in Trade	5	3261	4721
Loans and Advances	6	16315547	16315547
Cash & Bank Balances	7	<u>70744</u>	<u>87308</u>
		16389552	16407576

CURRENT LIABILITIES & PROVISIONS

Current Liabilities & Provisions	8	<u>118045</u>	<u>116391</u>
		16271507	

Net Current Assets

		16271507	16291185
		<u>19667652</u>	<u>19691690</u>

SIGNIFICANT ACCOUNTS

12

POLICIES AND NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

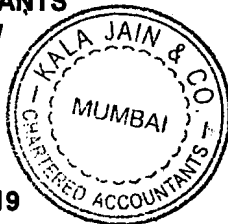
FOR AND ON BEHALF OF THE BOARD

KALA JAIN & Co.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 127886W

(Signature)
(S.S. TRIPATHI)

(Signature)
(AMLA RAI)

(SUPARSH KALA)
PARTNER
Membership No. 114419



DIRECTORS

Place: Mumbai

Date: 5 AUG 2011

ZENITH CAPITALS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 2011

SCHEDULE	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
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INCOME

Income from Operations	9	1813	1615
Increase / (Decrease) in Stock	10	-1460	3571
		<u>353</u>	<u>5186</u>

EXPENDITURE

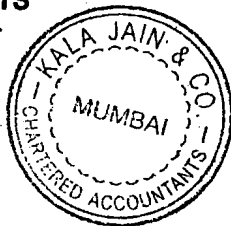
Administrative & Other Exps.	11	20031	10315
Depreciation		4360	3974
Profit/(Loss) before Tax		<u>24391</u>	<u>14289</u>
		-24038	-9103
Profit /(Loss) before Tax			0
Less: Provision for Tax			0
Profit after Tax		<u>-24038</u>	<u>-9103</u>
Balance brought forward from last year		<u>-769310</u>	<u>-760207</u>
Balance carried to Balance Sheet		<u>-793348</u>	<u>-769310</u>
Basic & Diluted Earning per share		-0.0125	-0.00474

Significant Accounting Policies and Notes to Account 12

AS PER OUR REPORT OF EVEN DATE ATTACHED

KALA JAIN & Co.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 127886W

(SUPARSH KALA)
PARTNER
Membership No. 114419



Place : Mumbai

Date: 5 AUG 2011

FOR AND ON BEHALF OF THE BOARD

(S.S. TRIPATHI)

(AMALA RAI)

DIRECTORS

ZENITH CAPITALS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS ON 31.03.2011

AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
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SCHEDULE -1

SHARE CAPITAL

AUTHORISED

2000000 (P.Y. 2000000) Equity Shares of Rs.10/- each.	<u>20000000</u>	<u>20000000</u>
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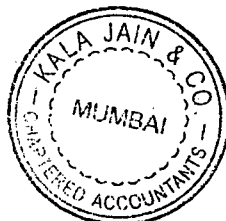
ISSUED SUBSCRIBED & PAID UP

1920000 P.Y. 1920000) Equity Shares of Rs.10/- each	19200000	19200000
Less: Allotment money in Arrears 2800 Shares @ Rs.5/- each (Other than Directors)	14000	14000
	<u>19186000</u>	<u>19186000</u>

SCHEDULE -2

RESERVES & SURPLUS

General Reserve	1275000	1275000
Less: Balance as per Profit/ (Loss) Account annexed	-793348	-769310
	<u>481652</u>	<u>505690</u>



Schedule -3

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As At 01.04.10 (Rs.)	Addition (Rs.)	Deduction (Rs.)	As on 31.03.11 (Rs.)	Upto 31.03.10 (Rs.)	For the year (Rs.)	Deduction (Rs.)	Upto 31.03.11 (Rs.)	As At 31.03.11 (Rs.)	As At 31.03.10 (Rs.)		
1	Plant & Machinery	68547	--	--	68547		--	68547	--	--		
2	Vehicle	300000	--	--	300000		--	300000	--	--		
3	Typewriter	16380			16380			16380				
4	Office Equipment	155957			155957			155957				
5	Furniture & Fixtures	13821			13821			13821				
6	Airconditioner	36100			36100	4360		36100	4360		4360	
		590805			590805	4360		590805	4360		4360	
	Previous year	590805			590805	3974		586445				8334



SCHEDULE -4

INVESTMENT (LONG TERM)

A) QUOTED

FACE VALUE	NAME OF THE COMPANY	No.of shares/ Units	Cost as on 31.03.11	No.of shar Units	Cost as on 31.03.10
	10 Jay Iron & Steels Ind. Limited *	280000	2856000	280000	2856000
	2 Larsen & Toubro Ltd	50	2456	50	2456
	10 Ultra Tech Cemco Ltd	20	1964	20	1964
	10 Zenith Steel Tubes & Ind.Ltd *	19000	513197	19000	513197
	10 Vishal Malleables Ltd	82350	453992	82350	453992

* Not quoted due to De-listing of securities

B) UNQUOTED

10 Reliance Enterprise Ltd	1	114	1	114
10 Templeton Fund	117.043	117043	117.043	117043
		<u>3944766</u>		<u>3944766</u>
Less: Provision for Diminution in the Value		548621		548621
		<u>3396145</u>		<u>3396145</u>

1) Aggregate Market value of Quoted Shares	2568726	2474926
Aggregated Cost of Quoted Shares	458412	3278988
Aggregate Cost of Unquoted Shares	117157	117157

SCHEDULE -5

STOCK IN TRADE

FACE VALUE	NAME OF THE COMPANY	MKT.VAL/ BREAK UP VALUE AS ON 31.03.11	NO OF SHARES	VALUE AS ON 31.03.11	NO. OF SHARES	VALUE AS ON 31.03.10
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A) QUOTED

1. Fully Paid up Eq.shares

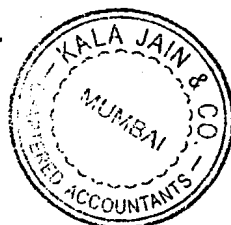
10 Premier Auto Ltd	85.80	38	3260	38	4720
TOTAL			<u>3260</u>		<u>4720</u>

B) UNQUOTED

10 Alphine Ceramics Ind. Ltd	---	50000	1	50000	1
TOTAL			<u>1</u>		<u>1</u>

GRAND TOTAL

			<u>3261</u>		<u>4721</u>
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SCHEDULE -6**LOANS AND ADVANCES**

Intercompany Deposits

AS AT
31.03.2011
(Rs.)AS AT
31.03.2010
(Rs.)

15595687

15595687

Advance recoverable in Cash or Kind
or for value to be received

910547

910547

Deposits Others

100000

100000

1660623416606234

Less: Provision for Doubtful Advances

290687

290687

1631554716315547**SCHEDULE -7****CASH & BANK BALANCES**

Cash in hand

13008

19008

Balance with Scheduled Banks
in Current Account

57736

68300

7074487308**SCHEDULE -8****CURRENT LIABILITIES & PROVISIONS**

Other Liabilities

15582

13928

Provision for Income Tax

102463

102463

118045116391

SCHEDULE -9**OTHER INCOME**

Dividend Received	1813	1615
	<u>1813</u>	<u>1615</u>

SCHEDULE -10

Increase/(Decrease) in Stock

Closing Stock	3261	4721
Less: Opening Stock	-4721	-1150
Increase/ (Decrease) in Stock	<u>-1460</u>	<u>3571</u>

SCHEDULE -11**ADMINISTRATIVE EXPENSES & PROVISIONS**

Bank Charges	176	166
Professional Fees	4500	3000
Telephone Charges	2737	
General Expenses	1654	1685
Audit Fees	4964	4964
Filing Fees	6000	500
	<u>20031</u>	<u>10315</u>



SCHEDULE -12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING:

The accounts are prepared on historical cost basis and income and expenditure are recognised on accrual basis and as per the RBI guidelines applicable to NBFC's.

2. FIXED ASSETS

All fixed assets are stated at cost inclusive of all related expenses less depreciation.

3. DEPRECIATION

Depreciation on Fixed Assets is provided on 'Straight Line Method' (SLM) at the rates specified in Schedule XIV of the Companies Act, 1956.

4. INVESTMENT

Long term investment are stated at cost less permanent diminution (in value) if any.

5. STOCK IN TRADE (SHARES)

Stock in Trade (Shares) are valued at lower of cost or market value/break up value.

6. NON PERFORMING ASSETS

Non Performing Assets are identified as per the directives of the Reserve Bank of India.

7. EARNING PER SHARE

- i) Net profit is considered after tax & includes post tax effect of any extra ordinary items.
- ii) Basic earnings per share is computed using the weight average number of shares outstanding during the period.

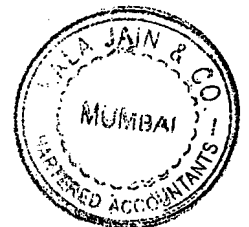
8. OTHER ACCOUNTING POLICIES

These are consistent with the generally accepted accounting practices

B. OTHER NOTES

1. The Company has identified Non Performing Assets (NPAs) to the extent of Rs.290687/- and full provision provision for the same as per the NBFC prudential Norms (Reserve Bank of India) Directions, 1998 has been held in the accounts.
2. Provision has not been made for diminution in the value of investment as required by NBFC prudential Norms (Reserve Bank of India) Directions, 1998.
3. In view of carry forward losses of earlier years no provision for current tax has been made during the year.
4. In view of time limitations on carry forward losses and brought forward business losses being the only timing difference, as matter of prudence deferred tax assets has not been recognised..
5. Earning per share calculation:

Particulars	Year ended 31.03.2011	year ended 31.03.2010
Net Profit Attributable to Shareholders	(24,038)	(9,103)
Weighted average members of Equity Shares	1918600	1918600
Basic & Diluted Earning per shares of Rs.10/- each (In Rs.)	(0.0125)	(0.0047)



6. The company has not been granted interest free loan during the year but cumulative amount of interest free loan granted is Rs.1,53,05,000/- which is in contravention of section 372A of the Companies Act, 1956.
7. Disclosure requirements as per Accounting Standard 18 As -18) 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India.
- Enterprises under common control of the Promoter :Zenith Steel Tubes and Industries Ltd, Jay Iron and Steels industries Ltd, Matrushree Finance & Investments Pvt.Ltd. SDS Trading & Agencies Pvt. Ltd, Everbright Trading & Agencies Pvt.Ltd. AVS Trades & Agencies Pvt.Ltd.
- Key Management Personnel :Mr. S.S.Tripathi (Director) and Mr.Amala Rai (Director).
- No transaction has been made with the above group companies during the year.
8. Segment Reporting : There are no separate reportable segments as per Accounting Standard on Segment Reporting (As -17) as the Company's primary business is of Investment and Finance activities.
9. In the absence of information from suppliers regarding the status under Micro, Small and Medium Enterprises Development Act, 2006 amounts due to such enterprises have not been disclosed separately under Sundry Creditors.
10. The Balance of sundry debtors, sundry creditors, deposits, loans & advances and other liabilities etc. are subject to confirmation and reconciliation consequential impact thereof on the accounts is not ascertainable.
11. Interest on outstanding loans has been accounted only if there is stipulation to that effect.
12. In the opinion of the Board , the current Assets, Loans & Advances are approximately of the value stated in in the balance sheet if realised in the ordinary course of business.The provision for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

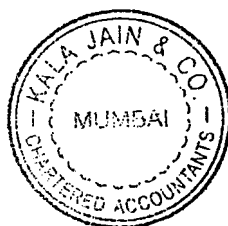
Other additional information pursuant to the provisions of para 3, 4C and 40 of Part II of Schedule VI to the companies Act, 1956 are as under: -

Details of Trading Activities

Particulars	Opening Stock		Purchase		Sale/ Transfer		Closing No.
	Nos	Amount	Nos	Amt.	Nos.	Amt.	
Quoted shares & Securities							
1. Premier Auto Ltd	38	4720	--	-1460	--	--	3260
UNQUOTED							
Alpine Ceramics Ind. Ltd	50000	<u>1</u> <u>4721</u>	--	--	--	--	<u>1</u> <u>3261</u>

b. Other informations are not applicable for the year.

13. The previous year figures are regrouped, reclassified wherever considered necessary to compare with Current year figure.



ZENITH CAPITALS LIMITED

14 Balance sheet abstract and Company's General Business Profile.

I. Registration details

Registration No. : 30082
 State Code : 11 (Maharashtra)
 Balance Sheet Date : 31st March, 2011

II. Capital raised during the period

	(Rs)
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placements/preferential allotment)	Nil

III. Position of Mobilisation and Deployment of Funds

	(Rs)
Total Liabilities	19667652
Total Assets	19667652

A) SOURCES OF FUNDS

Paid up Capital	19186000
Reserve & Surplus	481652
Secured Loans	Nil
Unsecured Loans	Nil

B) APPLICATION OF FUNDS

Net Fixed Assets	--
Investments	3396145
Net Current Assets	16271507
Misc. Expenditure	Nil

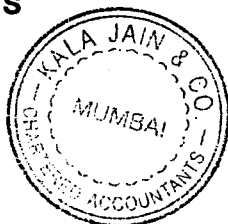
IV. PERFORMANCE OF COMPANY

Turnover	353
Total Expenditure	24391
Profit/ (Loss) Before Tax	(24,038)
Profit/ (Loss) After Tax.	(24,038)
Earning per share (Rs)	0.0125
Dividend rate %	Nil

AS PER OUR REPORT OF EVEN DATE ATTACHED

KALA JAIN & Co.
CHARTERED ACCOUNTANTS
 FIRM REG. NO. 127886

(Signature)
(SURARSH KALA)
PARTNER
 Membership No. 114419



FOR AND ON BEHALF OF THE BOARD

(Signature)
(S.S. TRIPATHI)

(Signature)
(AMALA RAI)

DIRECTORS

5 AUG 2011

ZENITH CAPITALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

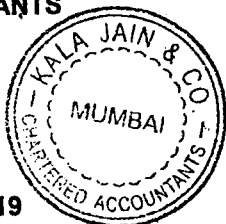
	31/03/2011	31/03/2010
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after Tax and Extraordinary Items Adjustment for	-24038.00	-9103.00
Provision for Taxation	-	-
Depreciation	4360.00	3974.00
Dividend Received		
Operating Profit before Working Capital Changes Adjustment For	(19,678.00)	(5,129.00)
(Increase)/Decrease in Receivables	-	-
(Increase)/Decrease in Inventories	1460	(3,571.00)
(Increase)/Decrease in Other Current Assets	-	-
Increase/(Decrease) in Trade Payables	1654	(179.00)
Cash Generated from Operations	(16,564.00)	(8,879.00)
Tax (Paid) /Received (Net of TDS)	-	-
Cash Flow before Extraordinary Items	(16,564.00)	(8,879.00)
Extraordinary Items	-	-
Net Cash Flow from Operating Activities	(16,564.00)	(8,879.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	-
Interest Received	-	-
Dividend Received	-	-
(Increase)/Decrease in Investments	-	-
Net Cash Flow in Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Unsecured loans	-	-
Net Cash Flow in Financing Activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(16,564.00)	(8,879.00)
Cash and Cash Equivalent (Opening Balance)	87,308.00	96,187.00
Cash and Cash Equivalent (Closing Balance)	70,744.00	87,308.00

AS PER OUR REPORT OF EVEN DATE ATTACHED

KALA JAIN & Co.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 127286W

(SUPARSH KALA)
PARTNER

Membership No. 114419



FOR AND ON BEHALF OF THE BOARD

(Signature)
(S.S. TRIPATHI)

(Signature)
(AMLA RAI)

DIRECTORS

Place: Mumbai

Date: 5 AUG 2011