

ZENITH CAPITALS LIMITED

(Formerly known as SVL CAPITALS LIMITED)

307, Sharda Chambers, New Marine Line, Mumbai- 400 020

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of **ZENITH CAPITAL LIMITED** will be held at the Registered Office of the company at 307, Sarda Chambers, New Marine Lines, Mumbai – 400 020 on Friday, 30th September, 2005 at 10.30 A. M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Deen Bandhu Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD


DIRECTOR

REGISTERED OFFICE

**307, SARDA CHAMBERS,
NEW MARINE LINES,
MUMBAI – 400 020**

DATE : 6th SEPTEMBER, 2005.

NOTES:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his place and the proxy need not 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.
- 2 The Register of Members and Share Transfer Books of the company will remain closed from 27/09/2005 to 30/09/2005 (both days inclusive).
- 3 Shareholders 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.
- 4 Members are requested to:
 - (I) notify immediately any change in their address to the company.
 - (II) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.

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DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Second **Annual Report** together with the Audited Statement of Accounts of the company for the year ended 31st March, 2005.

1. FINANCIAL RESULTS

	<u>YEAR ENDED</u> <u>31/03/2005</u> <u>Rupees</u>	<u>YEAR ENDED</u> <u>31/03/2004</u> <u>Rupees</u>
Profit (Loss) before Tax	(79,968)	(67,028)
Less : Provision for Taxes	---	---
Profit (Loss) After Tax	(79,968)	(67,028)
Add: Balance loss brought forward from previous year	(8,21,273)	(7,54,245)
Balance available for appropriation	(9,01,241)	(8,21,273)

2. OPERATIONS

During the year total income of the company was Rs. 16,998 as compare to previous year was Rs. Nil and. The Company has incurred Loss of Rs. 79,968 as compare to loss Rs. 67,028 of the previous year.

3. DIVIDEND

In view of losses, your board has decided not to recommend any dividend for the year ended 31st March, 2005.

4. BOARD OF DIRECTORS

In terms of the Articles of Association of the company and as per the provisions of the Companies Act, 1956 Shri Deen Bandhu Jalan, Director of the company retires by rotation and being eligible offers himself for re-appointment.

5. DIRECTORS RESPONSIBILITY STATEMENT

The Directors hereby confirm :

- that in the preparation of the annual accounts, the applicable accounting standards had been followed.
- That the Directors 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.
- That the Directors 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.
- That the Directors had prepared the annual accounts on a going concern basis.

6. AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, present Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company has received a Certificate from them certifying that their appointment, if made would be within the limits specified under Section 224 (1-B) of the Companies Act 1956

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7. AUDITORS REPORT

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

8. SECRETARIAL COMPLIANCE CERTIFICATE

Your directors attach herewith a copy of the Compliance Certificate issued by Practising Company Secretary for the year ended 31st March, 2005 Pursuant to Section 383 of the Companies Act, 1956.

9. FIXED DEPOSITS

Your company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder during the year.

10. PARTICULARS OF EMPLOYEES

Information required to be given under Section 217 (2A) of the Companies Act, 1956 with The Companies (Particulars of Employees) Rules 1975 are not applicable to the company, as the company has not employed any employee whose salary exceeds the limits as laid down in the said section.

11. INFORMATION ON ENERGY CONSERVATION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information required to be given under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 does not apply to your company as the company is not engaged in manufacturing activities. There was no foreign exchange earning or out go during the year.

12. ACKNOWLEDGEMENTS

Your Directors wish to thank company's Bankers, Clients and staff for their support to the running of the company and look forward to their continued support.

ON BEHALF OF THE BOARD OF DIRECTORS


DIRECTOR

REGISTERED OFFICE

307, SARDA CHAMBERS,
NEW MARINE LINES,
MUMBAI - 400 020

DATE : 6th SEPTEMBER, 2005.

KHANDELWAL JAIN & CO.

Website: www.kjco.net • E-mail: kjco@vsnl.com

CHARTERED ACCOUNTANTS

6-B, PIL Court (formerly Known as Sherbanoo),
6th Floor, 111, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: 5638 5000
Fax : (91-22) 5634 8482

12-B, Baldota Bhavan, 5th Floor,
117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: 2203 2655 / 6 / 7, 2206 2151
Fax : (91-22) 2206 3402

AUDITORS' REPORT**TO THE MEMBERS OF
ZENITH CAPITALS LIMITED**

- 1 We have audited the attached Balance Sheet of M/s. **ZENITH CAPITALS LIMITED**, as at 31st March 2005 and also Profit and Loss Account and the Cash Flow statement 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 conducted 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 (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 as we considered appropriate and according to the information and explanation given to us we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 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 account, as required by the law have been kept by the company so far as appears from our examination of those books;

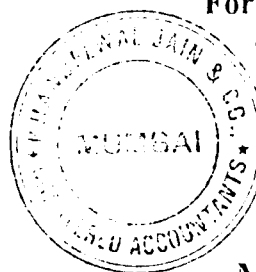
The Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts;



- 2 -

- (d) In our opinion the attached Balance Sheet, the Profit & Loss Account and the Cash Flow statement is in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
- (e) On the basis of written representations received from the directors, as on 31.03.2005, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31.03.2005 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- (f) *During the year company has granted Interest Free Loan amounting to Rs.35,95,000/-cumulative of such loan outstanding as on 31st March 2005 is Rs. 1,52,60,000/-. The same is not in accordance with Section 372 A (3) of the Companies Act, 1956. (Refer Note No. B-6 of Schedule '13')*
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, *subject to our comment in paragraph 4 (f) above*, read with other notes and significant accounting policies thereon give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in confirming with accounting principles generally accepted in India
- in case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2005 and
 - in case of the Profit and Loss Account, of the loss for the year ended on that date.
 - in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants



Narendra Jain
(NARENDRA JAIN)

Partner
Membership No.048725

Place : Mumbai

Dated : 6th September, 2005

KHANDELWAL JAIN & CO.

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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the report of even date to the members **ZENITH CAPITALS LIMITED** on the accounts for the year ended March 31, 2005)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) We have been informed that most of fixed assets have been physically verified by the management during the year. In our opinion the frequency of the verification is reasonable. 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
- 2 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.
- 3.a) The company has not granted any loans, secured or unsecured to Companies, Firms and Other parties covered in the register maintained under section 301 of the Companies Act, 1956 provisions of clause 4 (iii) (b) (c) and (d) are not applicable to the company.
- b) The company has not taken any loans, secured 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.
- 4 In our opinion, and according to the information and explanations given to us, there are adequate internal control System commensurate with size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control System.

