



COMPUTERS LTD

Tel: 28377300 / 28366030. Fax: 28364859. Email: info@zenith-india.com. www.zenithpc.com
 CIN : L72900MH1980PLC022652
 Registered Office: Plot No. EL 117, 1st floor, TTC Area, MIDC, Mahape, Navi Mumbai 400 710.

ANNEXURE - 1

Statement of Audited Results for the year ended 31/3/2015

(Rupees in lakhs)

Sr. No.	Particulars	Three months ended 31/3/2015 (Audited)	Three months ended 31/12/2014 (Audited)	Three months ended 31/3/2014 (Audited)	Year ended 31/3/2015 (Audited)	Year ended 31/3/2014 (Audited)
		(Refer Note no. 2)				
1	PART I					
	Income from Operations					
	Net sales/ Income from Operations	319.05	442.17	2128.54	2381.24	8235.29
	Total income from operations (net)					
2	Expenses					
	(a) Cost of sales and services	209.85	718.99	2275.25	1981.76	9415.39
	(b) Excise duty & Service tax	18.09	34.30	54.85	180.02	414.27
	(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(24.07)	42.96	(35.80)	(14.32)	96.69
	(d) Employee benefits expense	159.51	149.97	157.24	651.56	486.11
	(e) Depreciation and amortization expense	93.48	13.39	20.54	142.11	102.72
	(f) Assets written off/Impairment	0.00	821.03	530.35	1334.40	530.35
	(g) Other Expenses	175.72	154.26	190.34	601.28	854.69
	(h) Total Expenditure	632.58	1934.90	3192.77	4876.81	11900.22
3	Profit/(Loss) from operations before other income and finance costs (1-2)	(313.53)	(1492.73)	(1064.23)	(2495.57)	(3664.93)
4	Other Income	23.71	29.39	36.89	65.17	81.98
5	Profit/(Loss) from ordinary activities before finance costs (3+4)	(289.82)	(1463.34)	(1027.34)	(2430.40)	(3582.95)
6	Finance costs:					
	a) Forex loss	0.00	0.00	0.11	18.12	25.52
	b) Other finance costs	240.47	167.02	155.94	742.70	685.68
7	Profit/(Loss) from ordinary activities before tax (5-6)	(530.29)	(1630.36)	(1183.39)	(3191.22)	(4294.15)
8	Tax Expense	0.00	0.00	0.00	0.00	0.00
9	Profit/(Loss) from ordinary activities for the period (7-8)	(530.29)	(1630.36)	(1183.39)	(3191.22)	(4294.15)
10	Paid up Equity Share capital (Face value Rs. 10 per share)	1548.08	1548.08	1548.08	1548.08	1548.08
11	Reserves (excluding Revaluation Reserves)				(8019.62)	(4828.41)
12	Basic & Diluted E.P.S. [not annualised] (Rs.)	(3.43)	(10.53)	(7.64)	(20.61)	(27.74)
	PART II					
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	(a) Number of Shares	10725219	10725219	7071085	10725219	7071085
	(b) Percentage of Shareholding	69.28%	69.28%	45.68%	69.28%	45.68%
2	Promoters and promoter group shareholding					
	(a) Pledged/ Encumbered :					
	(i) Number of shares	NIL	NIL	NIL	NIL	NIL
	(ii) Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	(iii) Percentage of shares (as a % of the total share capital of the Company)	NIL	NIL	NIL	NIL	NIL
	(b) Non-encumbered :					
	(i) Number of shares	4755621	4755621	8409755	4755621	8409755
	(ii) Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	(iii) Percentage of shares (as a % of the total share capital of the Company)	30.72%	30.72%	54.32%	30.72%	54.32%
B	INVESTOR COMPLAINTS	Opening b/f - NIL, Received - 2, Disposed off - 2, Closing c/f - NIL				



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Statement of Assets and Liabilities

(Rupees in lakhs)

Sr. No	Particulars	Year ended	Year ended
		31/3/2015	31/3/2014
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholder's Funds		
	(a) Share capital	1550.00	1550.00
	(b) Reserves and surplus	(8013.37)	(4822.15)
	Sub-total - Shareholder's funds	(6463.37)	(3272.15)
2	Non-Current Liabilities		
	(a) Long-term borrowings	5655.77	5655.77
	(b) Deferred tax liabilities (Net)	58.47	474.21
	(c) Other long term liabilities	3.50	6.05
	(d) Long term provisions	69.32	112.84
	Sub-total - non-current liabilities	5787.06	6248.87
3	Current Liabilities		
	(a) Short-term borrowings	3735.34	3802.57
	(b) Trade payables	3044.91	2441.48
	(c) Other current liabilities	1022.24	642.07
	(d) Short-term provisions	-	-
	Sub-total - current liabilities	7802.49	6886.12
	TOTAL - EQUITY AND LIABILITIES	7126.18	9862.84
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	3768.88	4671.94
	(b) Non-current investments	-	-
	(c) Deferred tax assets (net)	-	-
	(d) Long term loans and advances	75.95	107.03
	(e) Other non-current assets	418.36	858.46
	Sub-total - Non-current assets	4263.19	5637.43
2	Current assets		
	(a) Current investments	-	505.90
	(b) Inventories	1285.83	1183.67
	(c) Trade receivables	762.09	1404.84
	(d) Cash and cash equivalents	552.65	448.61
	(e) Short-term loans and advances	243.46	565.92
	(f) Other current assets	18.96	116.47
	Sub-total - current assets	2862.99	4225.41
	TOTAL - ASSETS	7126.18	9862.84

Notes :

- 1) The above results were reviewed and recommended by the audit committee, and approved by the Board of Directors on 13th June, 2015.
- 2) The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

- 3) The Company has adopted the useful lives of the fixed assets as specified in Part C of Schedule II to the Companies Act, 2013 effective 1st April, 2014 except in case of PCs and Desktops (included in Computer Systems-Hardware and Software) and Office Equipment, where a longer useful life is adopted on the basis of technical assessment by the management. The carrying amount as of 1st April, 2014 is being amortised over the remaining useful lives of the assets except in the case of Buildings, where the carrying amount on 1st April, 2014 as reduced by the amount of revaluation in past years is amortised over the remaining useful lives. If the useful lives and carrying cost of all the assets was adopted as prescribed in the said Schedule II, the total depreciation for the year would have been higher by Rs.287.63 lakhs
- 4) **Term Loan and Working Capital Borrowings (Cash Credit) from Indian Bank**
(a) The Term Loan of Rs.2000 lakhs due in March 2013 and cash credit outstanding of Rs.2119.26 lakhs (comprised in the total short term borrowing of Rs.3735.86 lakhs) along with interest accrued and due thereon upto 31.3.2015 is payable to Indian Bank, Nariman Point, Mumbai.
(b) The said bank has, as part of recovery process, issued Demand Notice dated 4.12.2013 under SARFAESI Act, 2002 and has taken in April 2015 physical possession of the properties and inventories of the running Unit at Goa, including factory, resulting in cessation of business & factory operations. The said bank has also taken in May 2015/ June 2015 physical possession of the Company's properties and inventories at Mahape, Navi Mumbai. Valuation of the said properties and inventories are yet to be determined by the said bank.
(c) The Company has filed an Appeal with the Debt Recovery Appellate Tribunal (DRAT), Mumbai which is pending for disposal.
- 5) **Reference to BIFR**
The financial statements indicate that the Company has accumulated lossess of Rs.80.13 crores as on 31.3.2015 and its net worth has been fully eroded The Company has incurred a net loss of (-) Rs.31.91 crores and net cash loss of (-) Rs.30.49 crores during the current year (previous years net loss (-) Rs.42.94 crores and net cash loss of (-) Rs.41.91 crores, respectively). The Company has filed an application with the Board for Industrial and Financial Reconstruction (BIFR) New Delhi registered at sr.no.44/2014.
- 6) The Company operates in a single segment only. - Manufacture, sales & service of Electronic Equipments viz. Computers/ Micro-processor based systems and peripherals.

Place: Mumbai
Date : 13th June, 2015

By order of Board of Directors
For Zenith Computers Ltd


Rajkumar Saraf
Chairman & Managing Director

ANNEXURE - 2

C. L. KHANNA & CO.
CHARTERED ACCOUNTANTS

"CHIRANJEEV",
8, Greater Bombay Co. Op. Hsg. Ltd.
Gulmohar Cross Rd. No. 4,
J.V.P.D. Scheme, Mumbai - 49.
Cell : 9820647400 Tel. : 2620 3390
Email : khanna.auditor@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF ZENITH COMPUTERS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ZENITH COMPUTERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

a) Note 26- Term Loan and Working Capital Borrowing (Cash Credit) from Indian Bank

As per the Financial Statements, Rs.20 crores towards Term Loan (Note 3) along with interest accrued and due thereon Rs.5.96 crores (Note 9) and Rs.21.19 crores towards Cash Credit (comprised in total short-term borrowing of Rs.37.35 crores - Note 7) along with interest thereon Rs.3.39 crores (Note 9) are payable to Indian Bank Nariman Point, Mumbai. Also, refer Note 34 on Contingent Liabilities in relation to Interest payable.

We understand from the Management, that the said bank has, as part of recovery process, taken in April 2015 physical possession of the properties and inventories of the running Unit at Goa, including factory resulting in cessation of business and factory operations. The said bank has also taken in May 2015/ June 2015 physical possession of the Company's properties and inventories at Mahape, Navi Mumbai. As informed by the management, valuation of the said properties and inventories are yet to be determined by the said Bank.

The Company has filed an Appeal with the Debt Recovery Appellate Tribunal (DRAT), Mumbai, which is pending for disposal.

As disclosed in Note 26, if the outcome of the said litigation goes against the Company, it may adversely affect its financial position.

b) Note 27 - FCCBs and Interest thereon

The 0.50% Foreign Currency Convertible Bonds (due 2011), appearing under Note 3, are yet to be paid and the same is not restated as at the Balance Sheet date (AS11). The value accreted thereon appearing under Note no.3 and 34 has not been restated as at the Balance Sheet date (AS11) The interest payable on FCCB-coupon rate for the period 4.2.2011 to 4.8.2011 amounting to Rs.9.14 lakhs appearing under Note no.9 has not been restated as at the Balance Sheet date (AS11). A petition has been filed in the Bombay High Court by State Bank of India for recovery of their part of the alleged investment in the said FCCB, which is disputed, as State Bank of India is not the bondholder. The said petition is pending for admission.



c) Note 10 - Depreciation and amortization on Fixed Assets

The Company has adopted the useful lives of the fixed assets as specified in Part C of Schedule II to the Companies Act, 2013 effective 1st April, 2014 except in case of PCs and Desktops (included in Computer Systems) and Office Equipment, where a longer useful life is adopted on the basis of technical assessment by the management. The carrying amount as of 1st April, 2014 is being amortised over the remaining useful lives of the assets except in the case of Buildings, where the carrying amount on 1st April, 2014 as reduced by the amount of revaluation in past years is amortised over the remaining useful lives. If the useful lives and carrying cost of all the assets was adopted as prescribed in the said Schedule II, the total depreciation for the year would have been higher by Rs.287.63 lakhs.

d) Note 28 - Reference to BIFR

The financial statements indicate that the Company has accumulated losses of Rs.80.13 crores as on 31.3.2015 and its net worth has been fully eroded.

The Company has incurred a net loss of (-)Rs.31.91 crores and net cash loss of (-)Rs.30.49 crores during the current year (previous years net loss (-) Rs.42.94 crores and net cash loss of (-) Rs.41.91 crores, respectively).

The Company has filed an application with the Board for Industrial and Financial Reconstruction (BIFR), New Delhi registered at sr.no.44/2014.

The Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis in view of the continuance of the business operations of the Company in respect of Maintenance and servicing of Computer systems

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and 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 law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The going concern matter described in sub-paragraph (d) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.



(f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, two of the three directors are not disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act, however, the other director, Shri R. K. Saraf has incurred disqualification in terms of Section 164 (2) of the Act.

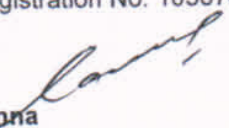
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 and 27 to the financial statements;

ii. The Company does not have any long-term contracts including derivative contracts, hence no provision for foreseeable losses is required.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For C. L. Khanna & Co
Chartered Accountants
(Firm's Registration No. 1050764W)


C. L. Khanna
(Proprietor)
(Membership No. 004988)



Place of Signature : Mumbai
Date : 13th June, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

Re: Zenith Computers Limited
(Referred to in our report of even date)

- (i) 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.
- (ii) 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.
- (iii) 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 189 of the Companies Act 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system 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.
- (v) The Company has not accepted any deposits from the public, consequently the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) The provisions for maintenance of cost records as specified in Section 148(1) of the Companies Act, 2013 read with the Companies (cost records and audit) Rules, 2014 notified vide G.S.R. 425(E) dated 30th June, 2014, are not applicable.
- (vii) According to the information and explanations given to us in respect of Statutory 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/LBT 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:

SR.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	168.39	Appellate Authorities/ Tribunal
2	Customs Act, 1962	Custom duty	305.72	Dy Commissioner of Customs, Adjudication Cell, Mumbai
3	Central Excise Act, 1944	Excise duty	517.15	Appellate Authorities/ Tribunal
4	Finance Act, 1994	Service tax	109.63	Appellate Authorities/ Tribunal
5	NMMC Act, 1992	Property tax	0.63	Local Authority

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- (viii) The Company has accumulated losses as at 31.3.2015 which has fully eroded its net worth. The company incurred cash losses during the current year, and, had also incurred cash losses in the immediately preceding financial year.
- (ix) Based on the Audit procedures and the information and explanations given by the Management, we understand that the company has defaulted in the repayment of Term Loan, Working Capital Borrowing (cash credit) and interest accrued and due thereon to Indian Bank. With regard to the period and amount of default, refer Note 7 and Note 26 to the Financial Statements.
- (x) 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.
- (xi) The term loan taken was applied for the purposes for which it was taken.
- (xii) 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
(Firm's Registration No. 1050764W)

C. L. Khanna
(Proprietor)
(Membership No. 004988)



Place of Signature : Mumbai
Date : 13th June, 2015



COMPUTERS LTD

ANNEXURE - 3

Zenith House, Plot No. 29, MIDC, Central Road, Andheri (E), Mumbai - 400 093.
Tel.: 28377300 / 28366030 Fax : 28364859 E-mail : mumbai@zenith-india.com Website : www.zenith-india.com

L72900MH1980PLC022652

Registered Office: Plot No. EL 117, I Floor, TTC Area, MIDC, Mahape, Navi Mumbai 400 710

ANNEXURE - 2

STATEMENT SHOWING DETAILS OF TURNOVER, PROFITS, TRANSFERS TO RESERVES, ETC., PURSUANT TO CLAUSE 20 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(Rs. In Lacs)	
	2014-2015	2013-2014
1. Dividend recommended % / Amount	NIL / NIL	NIL / NIL
2. Dividend per Equity Share	NIL	NIL
3. Turnover	2201.22	7821.02
4. Gross Profit	233.77	1691.06
5. Provision for Depreciation	142.11	102.72
6. Provision for Tax	NIL	NIL
7. Net Profit / (Loss)	(3191.22)	(4294.17)
8. Amount transferred to / (from) Reserves	NIL	NIL
9. Profit / (Loss) brought forward from previous year	(4828.42)	(534.25)

For ZENITH COMPUTERS LIMITED

RAJ SARAF
CHAIRMAN & MANAGING DIRECTOR

Branches:

Ahmedabad : 26853486 / 1348
Bangalore : 22264999 / 305 / 6588
Chennai : 24349661 / 24349323

Chandigarh : 2615496 / 2605496
Coimbatore : 2300155 / 2302118
Goa : 2555347 / 2556035

Kochi : 2358548 / 2359461
Kolkata : 24860182
Lucknow : 2328988

New Delhi : 26387154 / 3702
Pune : 26133306
Secunderabad : 27903256 / 0779