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ZODIAC - JRD - MKJ LIMITED**

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**NINETEENTH ANNUAL REPORT
2005 - 2006**



ZODIAC - JRD - MKJ LTD.

BOARD OF DIRECTORS

1. Mr. Jayantilal Jhaveri (Chairman)
2. Mr. Jayesh Jhaveri (Managing Director)
3. Mr. Devang Jhaveri
4. Mr. Rameshchandra Jhaveri
5. Mr. Rajnikant Jhaveri
6. Mr. Rajnikant Chokshi
7. Mr. Jindat Kalidas Mehta
8. Mr. Champaklal Dolatram Mehta (appointed 06-01-2006)

AUDITORS

M/s. Arun Ganatra & Co.
Chartered Accountants

BANKERS

ABN - AMRO BANK N.V.
BANK OF INDIA

REGISTRARS & TRANSFER AGENT

INTIME SPECTRUM REGISTRY LTD.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.
Tel. : 2596 3838

REGISTERED OFFICE

910, Parekh Market, 39 J.S.S. Road,
Opera House, Mumbai - 400 004.

FACTORY

VARDHAMAN INDUSTRIAL PREMISES CO-OP. SOCIETY LTD.
Gala No. 202-206
S.V. Road, Dahisar (E)
Mumbai - 400 068.



NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ZODIAC - JRD - MKJ LIMITED WILL BE HELD ON FRIDAY, 29th SEPTEMBER, 2006 AT 11.00 A.M. AT THACKERS CATERERS, BIRLA KRIDA KENDRA RESTAURANT, CHOWPATTY, MUMBAI - 400 007 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Rajnikant S. Chokshi who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jayantilal A. Jhaveri who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. Arun Ganatra & Co., Chartered Accountant as a Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion the next Annual General Meeting and authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification the following resolution as a special Resolution :

“RESOLVED THAT Mr. Champaklal Dolatram Mehta Who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the company Act, 1956 & in respect of whom the Company has received a notice in within proposins his candidature for the office of a Director, be and is hereby appointed a director of the company liable to retirement by rotation.

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A proxy form duly completed and stamped, must reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

- 2) The relevant Explanatory Statement pursuant to the Section 173 (2) of the Companies Act, 1956, is annexed hereto.
- 3) The register of members and the share transfer books of the company will remain closed from 22nd September, 2006 to 29th September, 2006 (both days inclusive) in connection with the Annual General Meeting.
- 4) Members are requested to bring their copy of Annual Report to the Annual General Meeting.
- 5) Members holding shares in identical orders of names in more than one folio are requested to write to the Company's below mentioned Registrar & Transfer Agent and send their share certificate to enable consolidation of their holding into one folio.
- 6) Members seeking any information on the Accounts are requested to write to the company, which should reach the company at least one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
- 7) Pursuant to the Provisions of Section 205C of the Companies Act, 1956 unpaid dividend and Share Application Money unclaimed for a period of more than seven years have been transferred to the Investor Education Protection Fund during the year. Please check whether you have encashed Dividend Warrants for earlier years. If dividend Warrants are lost or have became time barred, please apply to company or its Registrars & Share Transfer Agents for duplicate / revalidated Dividend warrant.

DIVIDEND FOR YEAR ENDED	AMOUNT (RS.)	DUE DATE
31 ST MARCH, 1999	38,309=00	27-09-2006
31 ST MARCH, 2000	40,413=00	29-09-2007
31 ST MARCH, 2001	52,620=00	26-09-2008
31 ST MARCH, 2002	57,341=50	27-09-2009
31 ST MARCH, 2003	57,010=50	29-09-2010
31 ST MARCH, 2004	96,104=50	27-09-2011
31 ST MARCH, 2005	66,686=00	24-09-2012

- 8) Member are requested to inform the Company any change in their addresses immediately so as to enable the Company to dispatch dividend warrants and any further communication at their correct address to Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai-400 078.



- 9) As per Listing Agreement, Particulars of directors who are proposed to be appointed and re-appointed is furnished below :

(i) Name : Jayantilal A. Jhaveri
 (ii) Age : 71 Years
 (iii) Qualification : Inter Science
 (iv) Expertise : Management and Technical
 Mr. Jayantilal Jhaveri is Director in 3 other companies

(i) Name : Rajnikant S. Chokshi.
 (ii) Age : 66 Years
 (iii) Qualification : B.Com, L.L.B. C.A.
 (iv) Expertise : Management and Technical
 Mr. Rajnikant S. Chokshi is Director and member of Audit Committee.

(i) Name : Champaklal Dolatram Mehta
 (ii) Age : 69 Years
 (iii) Qualification : B.com. C.A.
 (iv) Expertise : Administrative
 Mr. Champaklal Dolatram. Mehta is Director in 6 others companies.

- 10) Members holding shares in electronics form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividends warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change / deletion in such bank details. Further instructions if any already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants.

- 11) The Company has appointed M/s. Intime Spectrum Registry Ltd. as their Registrar for Transfer work and dematerialisation of Shares. The members are requested to send all their correspondence to Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.

- 12) Your Company is under Compulsory Demat list by SEBI AND Stock Exchange from August, 2000.

By Order of the Board of Directors
 For ZODIAC-JRD-MKJ LIMITED

Place : Mumbai
 Date : 24th August 2006

JAYANTILAL JHAVERI
 CHAIRMAN

EXPLANATORY STATEMENT

PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956

ITEM NO. 6

- To consider and if thought fit, to pass with or without modification the following resolution as a special Resolution:

“RESOLVED THAT Mr. Champaklal Dolatram Mehta, aged 69, B. Com. C. A., he is also Director in 6 others companies and he has wide experience in business, he is also Chartered Accountant, who was appointed an additional Director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the company Act, 1956 & in respect of whom the Company has received a notice in within proposins his candidature for the office of a Director, be and is hereby appointed a director of the company liable to retirement by rotation.

For and on behalf of the Board of Directors
ZODIAC-JRD-MKJ LIMITED

REGISTERED OFFICE :

910, Parekh Market,
 39, J.S.S. Road,
 Mumbai – 400 004.

MR. JAYANTILAL JHAVERI
 Chairman

Date : 24th August, 2006

Place : Mumbai

**Director's Report**

To
The Members,
ZODIAC-JRD-MKJ LIMITED

The Directors have pleasure in presenting the Annual Report on the business and operations of your Company and the Audited Financial statement for the year ended 31st March, 2006.

(1) FINANCIAL RESULTS :

The highlights of the Financial Results are :

	Year ended 31-03-2006 (Rs. In Lakhs)	Year ended 31-03-2005 (Rs. In Lakhs)
Total Income	1348.07	1523.97
Net Profit before Depreciation And Interest	152.20	193.78
Less : Depreciation	7.37	7.48
Interest	0.04	0.00
Profit before Tax	144.79	186.30
Add : Deferred Tax	(0.66)	(0.45)
Less : Current Tax	34.83	52.09
Profit after Tax	110.62	134.65
Balance Profit brought forward	3517.08	3405.34
Amt. Available for Appropriation	3627.70	3539.99
Less : Appropriation		
Proposed dividend	20.26	20.26
Tax on Distributed Profit	2.84	2.65
Fringe Benefit Tax	0.82	0.00
Balance carried forward To Balance Sheet	<u>3603.78</u>	<u>3517.08</u>

2. DIVIDEND :

The Directors are pleased to recommend a dividend @ 5% i.e. Rs. 0.50 per share for the year ended 31st March, 2006.

3. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Jayantilal Jhaveri and Mr. Rajnikant Chokshi Directors of the Company retire by rotation, and are eligible for reappointment.

Mr. Champaklal Mehta is appointed as additional director of the company in the board meeting held on 06-01-2006. Mr. Champaklal Mehta hold office of director up to the date of ensuing AGM. The Company has received notice from the members pursuant to section 257 the Companies Act, 1956 of their intention to move resolution at the ensuing AGM for the appointment of Mr.Champaklal Mehta a director of the company

4. FIXED DEPOSIT :

The Company has not accepted any fixed deposits from the public during the year under review.

5. AUDITORS :

The Auditors M/s. Arun Ganatra & Co., Chartered Accountants, retire at the Annual General Meeting and they being eligible offer themselves for re-appointment.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not have any activities related to conservation of Energy and Technology absorption. During the year foreign exchange outgo was Rs. 3.28 Lacs and the foreign exchange earned during the year was Rs. 1291.53 Lacs. The Net foreign exchange earned by the Company during the financial year is Rs. 1288.25 Lacs.

7. PARTICULARS OF EMPLOYEE :

Pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules, 1975 as amended, the Company has no persons in its employment drawing salary in excess of Rs. 24,00,000 per annum or Rs. 2,00,000 per month.

Details of Director's Remuneration :

Name	Director Remuneration (in Rupees)
Managing Director	108000.00
Whole Time Director	84000.00

**8. DEPOSITORY :**

The company has entered into an agreement with National Securities Depository Limited (NSDL) as well Central Depository Services (India) Limited (CDSL) facilitating the equity shareholders of the Company to hold their equity holding in Company in dematerialised form. The Company also offers simultaneous dematerialisation of the physical shares lodged for transfer.

iv) That the annual accounts for the year ended 31st March, 2006 have been prepared on a 'Going Concern Basis.'

10. DISCLOSURE UNDER SECTION 274 (1) (g) :

None of the Directors of the Company are disqualified for being appointed as Directors as specified Under Section 274 (1) (g) of the Companies Act, 1956 amended by the Companies (Amendment) Act, 2000.

9. DIRECTORS' RESPONSIBILITY STATEMENT :

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm :

11. CORPORATE GOVERNANCE :

A separate detailed Corporate Governance report is attached herewith.

- *i) That in preparation of the Annual Accounts for the year ended 31st March, 2006, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any;
- ii) That the directors had selected such accounting policies and applied consistently and made judgements and estimates that were reasonable and prudent so as it give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2006 and the profit of the Company for the year under review ;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting 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;

12. ACKNOWLEDGEMENTS :

Your Board takes this opportunity of thanking the shareholders, Banking, Auditors, Registrars, Business Associates and all Employees of the Company for their co-operation received during the year under review.

For and on behalf of the Board of Directors
ZODIAC-JRD-MKJ LIMITED

MR. JAYANTILAL JHAVERI
(CHAIRMAN)

Registered Office :
910, Parekh Market
39, J.S.S. Road,
Mumbai – 400 004.

Date : 24th August, 2006
Place : MUMBAI



CORPORATE GOVERNANCE REPORT

PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is concerned with creation of long term value of shareholders while also balancing interest of other stakeholders viz. Employees, Creditors, Government and the society at large. Corporate governance is crucial as it build confidence and trust, which eventually leads to a more stable and sustained resources, flows and long term partnership with its investors and other stakeholders.

The Corporate Governance framework will encourage efficient use of resources and ensuring accountability for these resources. Its importance lays in the contribution to the overall growth and direction of the business, management accountability and transparency and above all , equitable treatment for its stakeholders.

In sum, Corporate Governance reinforces the concept of “Your company” and emphasis that the Chairman and Board of Directors are your fiduciaries and trustees, engaged in pushing the business forward and maximizing value for the shareholders.

CORPORATE GOVERNANCE

Your Company believes in adopting practices and protecting rights and interest of stakeholders. We further believe that the shareholders have the right to know complete information on the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

The report on corporate governance is dividend into five parts :

- I. Board of directors
- II. Remuneration of Directors
- III. Committees of the Board
- IV. Shareholder Information
- V. Other Disclosures

I. BOARD OF DIRECTORS

A. The details of the Board of directors of the Company are given below :

Name of Director	Designation	Other Directorship
Mr. Jayantilal Jhaveri	Chairman	3
Mr. Jayesh Jhaveri	Managing Director	3
Mr. Devang Jhaveri	Director	3
Mr. Rameshchandra Jhaveri	Director	3
Mr. Rajnikant Jhaveri	Director	3
Mr. Rajnikant Chokshi	Director	—
Mr. Jindat K Mehta	Director	4
Mr. Champaklal Mehta	Director	6

As required by the Companies Act, 1956 & clause 49 of the listing agreement, none of the director hold directorship in more than 15 public companies, membership of board committees (audit / remuneration / investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

**B. RESPONSIBILITIES**

The Board of Directors' responsibilities include review of :

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Business risk analysis and control
- Senior executive appointment
- Compliance with statutory / regulatory requirements and review of major legal issues
- Adoption of quarterly results / annual results
- Transaction pertaining to purchase and disposal of property , major provisions and write offs.

C. BOARD MEETINGS

The meeting of the Board of Director's are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company's business , including performance of the Company, employee relations, details of investments, capital expenditure, etc. is circulated to all the directors. It also highlights important matters discussed at the audit committee, shareholders grievance committee and at the sub-committee of Directors. Board meetings were held during the period 2005-06.

Name of the Directors	No. of Board Meeting Held	No. of Board Meeting Attended	Attendance at last A.G.M.
Mr. Jayantilal Jhaveri	6	6	YES
Mr. Rameshchandra Jhaveri	6	6	YES
Mr. Rajnikant Jhaveri	6	5	YES
Mr. Jayesh Jhaveri	6	6	YES
Mr. Devang Jhaveri	6	5	YES
Mr. Rajnikant Chokshi	6	6	YES
Mr. Jindat Mehta	6	6	YES
Mr. Champaklal Mehta (*)	6	1	NO

(*) Mr. Champaklal D. Mehta, appointed additional director on Dtd. 06-01-2006

II. REMUNERATION OF DIRECTORS

As the Company has no intention to pay any remuneration to any of the directors other than Managing Director & Whole Time Director no need was felt to constitute a Compensation and Remuneration committee of Directors. The Remuneration of Managing Director & Whole Time Director is with the approval of shareholders of Company in the General Meeting held on 24-09-2005.

Name	Remuneration Rupees	Perquisite Rupees	Total Remuneration	Terms of Appointment
Jayesh J. Jhaveri (Managing Director)	108000.00	26861.00	134861.00	25-09-2007
Devang R. Jhaveri (Wholetime Director)	84000.00	18526.00	102526.00	25-09-2007

**PAYMENT OF SITTING FEES TO THE DIRECTOR**

Name of the Director	Sitting fees paid in Rupees
1. Jayantilal A. Jhaveri	3000.00
2. Rameshchandra A. Jhaveri	3000.00
3. Rajnikant A. Jhaveri	4500.00
4. Jayesh J. Jhaveri	N.A.
5. Devang R. Jhaveri	N.A.
6. Rajnikant S. Chokshi	5500.00
7. Jindat K. Mehta	3000.00
8. Champaklal D. Mehta	500.00

III. COMMITTEES OF THE BOARD**A. AUDIT COMMITTEE**

The Audit committee of the Board of Directors was formed by the Board on 30th January, 2002 and the Committee comprises of Three members. The functions of the committee are as specified in Clause 49 of the Listing Agreement entered with Stock Exchanges in which the Company's shares are listed. There were five meetings held during the period under review. The attendance of members for the meetings are as follows :

Name of the Member	Designation	No. of meetings attended
Mr. Rajnikant Chokshi	Chairman	5
Mr. Rajnikant Jhaveri	Member	4
Mr. Devang Jhaveri	Member	4

B. SHARE TRANSFER & SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

1) The Share Transfer Committee was constituted on 30th January, 2002. The Committee meets on a regular basis to approve transfer of shares, transmission of shares, splitting, consolidation, dematerialisation and rematerialisation of shares. The shares in Physical form sent for transfer in physical form are processed and registered by the Company within 30 days of receipt of the documents, if found in order & to specially look into the redress of shareholder and investors complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Report etc. transferred. The Share Transfer & Shareholders Investors grievance Committee consists of :

<u>Name of Director</u>	<u>Designation</u>
Mr. Jayantilal Jhaveri	Chairman
Mr. Rameshchandra Jhaveri	Member
Mr. Rajnikant Jhaveri	Member
Mr. Jayesh Jhaveri	Member
Mr. Devang Jhaveri	Member