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ZODIAC - JRD - MKJ LIMITED**

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**TWENTYSECOND ANNUAL REPORT  
2008 - 2009**



**ZODIAC - JRD - MKJ LTD.**

### **BOARD OF DIRECTORS**

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

### **AUDITORS**

M/s. Arun Ganatra & Co.  
Chartered Accountants

### **BANKERS**

ABN - AMRO BANK N.V.  
BANK OF INDIA

### **REGISTRARS & TRANSFER AGENT**

LINK INTIME INDIA PRIVATE LIMITED  
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.


**ZODIAC - JRD - MKJ LTD.**

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF ZODIAC – JRD – MKJ LIMITED WILL BE HELD ON TUESDAY , 29<sup>th</sup> SEPTEMBER, 2009 AT 10.00 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 31<sup>st</sup> March, 2009 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 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.

**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) Members/Proxies should bring the attendance slip sent herewith duly, filled in for attending the meeting. You are requested to bring the copy of Annual Report sent to you.

- 3) The register of members and the share transfer books of the company will remain closed from 19<sup>th</sup> September, 2009 to 29<sup>th</sup> September, 2009 (both days inclusive ) in connection with the Annual General Meeting.
- 4) 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 certificates to enable consolidation of their holding into one folio.
- 5) 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.
- 6) 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 become time barred, please apply to company or its Registrars & Share Transfer Agents for duplicate / revalidated Dividend warrant.

<u>DIVIDEND FOR YEAR ENDED</u>	<u>AMOUNT (RS.)</u>	<u>DUE DATE</u>
31 ST MARCH, 2002	57,121=50	27-09-2009
31 ST MARCH, 2003	56,640=50	29-09-2010
31 ST MARCH, 2004	95,334=50	27-09-2011
31 ST MARCH, 2005	62,490=00	24-09-2012
31 ST MARCH, 2006	41,789=50	24-09-2013
31 ST MARCH, 2007	73,924=00	24-09-2014
31 ST MARCH, 2008	99,586=00	24-09-2015

- 7) Member are requested to immediately notify in their own interest the change in their addresses to the Company's Registrars & Transfer Agent :



**Link Intime India Pvt. Ltd.**, C- 13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (w), Mumbai - 400 078.

11) Your Company is under Compulsory Demat list by SEBI and Stock Exchange from August, 2000.

**8) INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT**

As required under the Listing Agreement, Particulars of directors who are proposed to be appointed and re-appointed is furnished below :

By Order of the Board of Director  
For **ZODIAC-JRD-MKJ LIMITED**

- (I) Item No.3 of the notice :  
Name : Rajnikant S. Chokshi.  
Age : 68 Years  
Qualification : B.Com, L.L.B. C.A.  
Expertise : Management and Technical  
Mr. Rajnikant S. Chokshi is Director and member of Audit Committee.
- (II) Item No.4 of the notice :\  
Name : Jayantilal A. Jhaveri  
Age : 74 Years  
Qualification : Inter Science  
Expertise : Management and Technical  
Mr. Jayantilal Jhaveri is Director in 2 other companies

JAYANTILAL JHAVERI  
CHAIRMAN

Date : 27<sup>th</sup> August, 2009  
Place : Mumbai

**REGISTERED OFFICE :**  
910, Parekh Market,  
39, J.S.S. Road,  
Opp. Kennedy Bridge,  
Opera House, Mumbai 400 004.

- 9) 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.

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



## 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 31<sup>st</sup> March, 2009.

### (1) FINANCIAL RESULTS :

The highlights of the Financial Results are :

	Year ended 31-03-2009 (Rs. In Lakhs)	Year ended 31-03-2008 (Rs. In Lakhs)
Total Income	1848.55	1267.56
Net Profit before Depreciation And Interest	162.07	140.79
Less : Depreciation	10.66	8.35
Interest	0.10	0.08
Profit before Tax	151.31	132.36
Add : Deferred Tax	(0.79)	(0.60)
Less : Current Tax	32.72	25.95
Less : Provision for tax	0.00	0.00
Profit after Tax	119.38	107.01
Balance Profit brought forward	3760.61	3678.01
Prior Period Adjustments	2.44	0.05
Amt. Available for Appropriation	3877.55	3784.97
Less : Appropriation		
Proposed dividend	38.83	20.26
Tax on Distributed Profit	6.60	3.44
Fringe Benefit Tax	1.26	0.66
Balance carried forward To Balance Sheet	3830.86	3760.61
Add : Business Purchase General Reserves of MKJ Jewellery Pvt. Ltd.	289.05	0.00
	<u>4119.91</u>	<u>3760.61</u>

### 2. DIVIDEND :

The Directors are pleased to recommend a dividend @ 7.5% i.e. Rs. 0.75 per share for the year ended 31<sup>st</sup> March, 2009.

### 3. DIRECTORS :

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

### 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. 18.14 Lacs and the foreign exchange earned during the year was Rs. 1715.73 Lacs. The Net foreign exchange earned by the Company during the financial year is Rs. 1697.59 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	300000
Whole time Director	264000

### 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.

**9 DIRECTORS' RESPONSIBILITY STATEMENT :**

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

i) That in preparation of the Annual Accounts for the year ended **31<sup>st</sup> March, 2009**, 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 31<sup>st</sup> March, 2009 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;

iv) That the annual accounts for the year ended 31<sup>st</sup> March, 2009 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.

**11. CORPORATE GOVERNANCE :**

A separate detailed Corporate Governance report is attached herewith.

**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)

Date : 27<sup>th</sup> August, 2009  
Place : MUMBAI

**REGISTERED OFFICE :**  
910, Parekh Market  
39, J.S.S. Road,  
Mumbai – 400 004.



## 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 builds 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 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 divided 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	2
Mr. Jayesh Jhaveri	Managing Director	2
Mr. Devang Jhaveri	Whole-time Director	2
Mr. Rameshchandra Jhaveri	Director	2
Mr. Rajnikant Jhaveri	Director	2
Mr. Rajnikant Chokshi	Director	-
Mr. Jindat K Mehta	Director	4
Mr. Champakalal Mehta	Director	6

As required by the Companies Act, 1956 & Clause 49 of the listing Agreement, none of the directors hold directorship in more than 15 Public Companies, membership of Board Committees (Audit/Remuneration/Investor 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
- Investments 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
- Transactions pertaining to purchase, disposal of property, major provisions and write – offs.

### (C) Board Meetings

The meetings of the Board of Directors are Scheduled well in Advance and the Folder containing the Agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, 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. 6 Board Meetings were held during the period 31<sup>st</sup> March, 2009 i.e. on 29/04/2008, 29/07/2008, 26/08/2008, 24/10/2008, 29/01/2009, 26/03/2009

Name of Director	No of Board Meetings Held	No of Board Meetings Attend	Attendance at last AGM
Mr. Jayantilal Jhaveri	6	6	Yes
Mr. Jayesh Jhaveri	6	5	Yes
Mr. Devang Jhaveri	6	6	Yes
Mr. Rameshchandra Jhaveri	6	6	Yes
Mr. Rajnikant Jhaveri	6	6	Yes
Mr. Rajnikant Chokshi	6	6	Yes
Mr. Jindat K Mehta	6	6	Yes
Mr. Champakalal Mehta	6	6	Yes

### 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 the Company in the General Meeting held on 25-09-2007.

Name	Remuneration (in Rs.)	Perquisites (in Rs.)	Total Remuneration	Terms of Appointment
Mr. Jayesh Jhaveri (Managing Director)	300000	65462	365462	25-09-2007
Mr. Devang R. Jhaveri (Whole- Time Director)	264000	41832	305832	25-09-2007

### PAYMENT OF SITTING FEES TO THE DIRECTOR

Name of the Director	Sitting Fess paid in Rupees
1. Mr. Jayantilal A.Jhaveri	3000
2. Mr. Rameshchandra A. Jhaveri	3000
3. Mr. Rajnikant A. Jhaveri	3000
4. Mr. Jayesh J. Jhaveri	N.A
5. Mr. Devang R. Jhaveri	N.A
6. Mr. Rajnikant S. Chokshi	6000
7. Mr. Jindat K. Mehta	6000
8. Mr. Champaklal D. Mehta	6000





### III COMMITTEES OF THE BOARD

#### A. Audit Committee

The Audit Committee of the Board of Directors was formed by the Board on 30<sup>th</sup> 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 6 meetings held during the period under review i.e 29/04/2008, 29/07/2008, 26/08/2008, 24/10/2008, 29/01/2009, 26/03/2009. The Attendance of members for the meetings are as follows:

Name of the Member	Designation	No. of Meetings Attended
Mr. Rajnikant S. Chokshi	Chairman	6
Mr. Jindat K. Mehta	Member	6
Mr. Champaklal D. Mehta	Member	6

#### B. SHARE TRANSFER & SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

(1) The Share Transfer Committee was constituted on 30<sup>th</sup> January 2002. The Committee meets on a regular basis to approve transfer of shares, transmission of shares, splitting, consolidation, dematerialization 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 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 Reports etc. The Share transfer & Shareholders/Investors Grievance Committee consists of

Name of Director	Designation
Mr. Jayantilal A.Jhaveri	Chairman
Mr. Rameshchandra A. Jhaveri	Member
Mr. Rajnikant A. Jhaveri	Member
Mr. Jayesh J. Jhaveri	Member
Mr. Devang R. Jhaveri	Member

(2) Total 14 meetings of Shareholders/Investors Grievance Committee were held during the year 2008-2009 on the following dates.

04/04/2008, 11/04/2008, 25/04/2008, 02/05/2008, 23/05/2008, 31/05/2008, 11/07/2008, 18/07/2008, 17/09/2008, 10/10/2008, 24/10/2008, 19/12/2008, 26/12/2008, 26/03/2009

(3) The attendance of the Shareholders/Investors Grievance Committee Member is as under

Name of Director	Category	No. of Meetings Held	No. of Meetings Attended
1. Mr. Jayantilal A.Jhaveri	Independent	14	14
2. Mr. Rameshchandra A. Jhaveri	Director	14	14
3. Mr. Rajnikant A. Jhaveri	Director	14	14
4. Mr. Jayesh J. Jhaveri	Executive Director	14	14
5. Mr. Devang R. Jhaveri	Independent	14	14

(4) Mr. Devang Jhaveri, Director is the Compliance Officer.

(5) All the complaints received during the year were resolved to the satisfaction of the shareholders.