

ZODIAC VENTURES LIMITED

Board of Directors

Mr. Jimit Ramesh Shah	-	Managing Director
Mr. Ramesh Virji Shah	-	Whole Time Director
Mr. Akash Nayan Parikh	-	Director
Mrs. Sunita Jimit Shah	-	Director
Dr. Anil Bhaskar Ghagare	-	Director
Mr. Litesh Korshi Gada	-	Director

Bankers

The Cosmos Co-op Bank Ltd

Statutory Auditors

A R Sodha & Company,
Chartered Accountants, Mumbai

Registered Office

404, Dev Plaza, 68, S V Road,
Andheri (West), Mumbai – 400 058
Tel: 022-42233333/ 26245500
E-mail : info@zodiacventures.in

Registrar & Share Transfer Agents

Sharex Dynamic (India) Pvt Ltd.
17/B, Dena Bank Bldg,
IInd Floor, Horniman Circle,
Fort, Mumbai – 400 001.
Tel: 022 28515606/ 28515644

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NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the members of **ZODIAC VENTURES LIMITED** will be held on Saturday, **September 28, 2013** at 11.30 A.M at the Registered Office of the Company situated at 404, Dev Plaza, S V Road, Andheri (West), Mumbai – 400 058 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance sheet as at March 31, 2013; Profit & Loss Account for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Sunita Shah, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual general Meeting of the Company and to fix their remuneration.
4. To declare final dividend on the Equity shares of the Company.

By Order of the Board of Directors

Sd/-
Jimit Shah
Managing Director

Place: Mumbai

Date: August 12, 2013

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty – eight hours before commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 26, 2013 to September 28, 2013, both days inclusive, for the purpose of Annual General meeting & payment of final dividend.
3. The Members are requested to intimate to Share Transfer Agent of the Company, changes, if any, in their Registered Address at an early date.
4. The Members are requested to forward their queries on the proposed resolutions and accounts for the financial year ended March 31, 2013 to the Company at least 10 days in advance, to enable the management to keep the required information available at the Annual General Meeting.
5. Memorandum and Articles of Association is open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 2.00 p.m.

DIRECTOR'S REPORT

To,
 The Members,
Zodiac Ventures Limited

Your directors take pleasure in presenting the 32nd Annual Report, together with the Audited Accounts of your Company for the year ended March 31, 2013.

FINANCIAL RESULTS OF YOUR COMPANY

(Amount in Rs.)

Particulars	Financial year ended on			
	31 st March 2013 (Consolidated)	31 st March 2013 (Standalone)	31 st March 2012 (Consolidated)	31 st March 2012 (Standalone)
Sales and other Income	1,46,94,606	1,24,80,336	1,35,18,311	1,10,27,300
Profit Before Interest, Depreciation & Taxation	94,26,668	72,12,398	81,13,407	56,22,396
Less: Interest Charges	-	-	-	-
Profit Before Depreciation & Taxation	94,26,668	72,12,398	81,13,407	56,22,396
Less: Depreciation	10,89,603	-	10,89,603	-
PROFIT BEFORE TAXATION	83,37,065	72,12,398	70,23,804	56,22,396
Less: Provision for taxation	(31,93,320)	(22,91,396)	(25,33,196)	(16,73,026)
PROFIT AFTER TAXATION	51,43,745	49,21,002	44,90,608	39,49,370
Less: Minority Interest	6,43,307	-	7,99,432	-
NET PROFIT FOR THE YEAR	45,00,438	49,21,002	36,91,177	39,49,370
Dividend	11,18,700	11,18,700	10,07,500	10,07,500
Dividend Distribution Tax	1,90,124	1,90,124	1,63,441	1,63,441
PROFIT AFTER DIVIDEND	31,91,614	36,12,178	25,20,236	27,78,429
Balance brought forward from Previous year	89,06,955	87,30,480	65,84,189	61,49,520
Less: Transfer to General Reserve	-	-	1,97,469	1,97,469
Profit / (Loss) carried to Balance sheet	1,20,98,569	1,23,42,658	89,06,955	87,30,480

OPERATIONAL REVIEW

During the year under review, the Company has made a net profit of Rs. 45,00,438/- on consolidated basis and Rs. 49,21,002/- on standalone basis for the financial year 2012-13. Last year, the Company has made a net profit of Rs. 36,91,177/- on consolidated basis and Rs. 39,49,370/- on standalone basis for the financial year 2011-12.

DIVIDEND

The Directors have recommend for your consideration a Final Dividend @3% i.e Rs. 0.30 per Equity shares of Rs. 10/- each for the financial year ended March 31, 2013.

SHARE CAPITAL

During the year under review, 29,54,000 equity shares of Rs.10/- each issued at premium of Rs. 20/- allotted to Promoters and other than Promoters on a preferential basis on February 27, 2013.

As on 31st March, 2013, the paid up share capital of the Company is Rs. 3,72,90,000/- divided into 37,29,000 equity shares of Rs. 10/- each.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mrs. Sunita Jimit Shah retires by rotation and being eligible offer herself for re-appointment.

Mr. Ramesh Virji Shah continues to be Whole-time Director and Mr. Jimit Ramesh Shah continues to be Managing Director on the Board of Directors of the Company.

Mr. Aakash Nayan Parikh, Dr. Anil Bhaskar Ghagare and Mr. Litesh Korshi Gada continues to Directors on the Board of Directors of the Company.

SUBSIDIARIES OF THE COMPANY

The Company as on March 31, 2013 had one subsidiary viz. Zodiac Developers Private Limited (ZDPL). The Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated February 08, 2011 has granted an exemption to Companies from complying with Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided that the Company publish the Audited consolidated financial statement in the Annual Report. Accordingly this Annual report of the Company contains the summary of financial statement of your Company's subsidiaries duly audited by its respective statutory auditors. Relevant disclosure of the subsidiary is disclosed in the consolidated balance sheet.

We hereby undertake that annual accounts of the subsidiary Company (ZDPL) and the related detailed information shall be made available to shareholders of the holding & subsidiary Company seeking such information at any point of time. The Annual Accounts of subsidiary Companies shall be kept for inspection by any shareholders in the registered office of the holding Company and of the subsidiary Company. We shall furnish the hard copies of details of accounts of subsidiaries to shareholder on demand within a reasonable period of time.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the public within the meaning of section 58A of the Companies Act, 1956 during the year under review.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration as prescribed under provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and therefore no such particulars are provided.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies (Amendment) Act, 2000 with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- (i) That the preparation of the Annual Accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review;
- (iii) That the directors had taken proper and sufficient care 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 directors had prepared the accounts for the financial year ended March 31, 2013 on a going concern basis.

AUDITORS:

M/s. A.R Sodha & Company, Chartered Accountant, Mumbai hold office until the conclusion of the ensuing Annual General Meeting of the Company and being eligible are recommended for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the limits laid down under Section 224 (1B) of the Companies Act, 1956.

REVIEW OF AUDITOR'S REPORT

Your directors are pleased to inform you that the Statutory Auditors of the Company have not made any adverse or qualified remarks in their audit report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company has complied with the provisions of Corporate Governance and a report on Corporate Governance is annexed hereto and forms part of this report. A certificate from Practicing Company Secretary of the Company regarding compliance of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is appended to the Annual Report.

DEPOSITORY SYSTEM:

The Company has electronic connectivity with both depositories namely Central Depository Services (India) Limited and National Securities Depository Limited. As on March 31, 2013, 95.44% of the Company's paid-up share capital representing 35,59,130 equity shares is in dematerialized form. In view of the numerous advantages offered by the Depository system, Members holding shares in physical mode are requested to avail of the facility of dematerialization of the Company's shares on either of Depositories.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The additional information as required under the provisions of 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 is given in Annexure-I.

ACKNOWLEDGEMENTS

Your Directors wish to thank to the Bankers as well as the Shareholders of the Company. The Board of Directors also wishes to place on record their deep appreciation for the services rendered by the employees of the Company.

For and on behalf of the Board

Place: Mumbai
Date: August 12, 2013

Sd/-
Jimit Shah
Managing Director

ANNEXURE I**I. CONSERVATION OF ENERGY:**

The Company is presently not carrying the manufacturing operations therefore; there is no material information to be given under Conservation of Energy and Technology Absorption.

(a)	Energy conservation measures taken	NIL
(b)	Additional investments and proposals if any, being implemented for reduction of consumption of energy	NIL
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	NIL
(d)	Total energy consumption and energy consumption per unit of production	NIL

FORM-A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(a)	Power and fuel consumption	NIL
(b)	Consumption per unit of production	NIL

II. TECHNOLOGY ABSORPTION

Research & Development: Company has not incurred any expenditure on this account during the year under review.

FORM-B: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION ETC.,

(a)	Research and Development	NIL
(b)	Technology Absorption, Adaptation and Innovation	NIL

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings and outgo: Since the Company had ceased its operations; there is no Foreign Exchange Earning and Outgo during the year under review.

(a)	Earnings in Foreign Exchange during the year	NIL
(b)	Foreign Exchange outgo during the year	NIL

For and on behalf of the Board

Sd/-
Jimit Shah
Managing Director

Place: Mumbai
Date: August 12, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

The global economic meltdown of 2008 is still plaguing the real estate sector which hasn't fully recovered can still feel it's aftershocks. The real estate sector is witnessing high debt, mounting unsold inventories and stringent regulatory clutches. The pricing trend which looked robust in the last few years has slowed down in the financial year 2012-13.

The real estate sector was adversely impacted from both demand as well as supply side factors. On the demand side, income levels of people took a beating on account of continuous high degree of inflation which affected their investment potential. On the supply side, lack of funds, lack of quality infrastructure, rising prices of raw materials and legal and regulatory hurdles caused major problems for real estate developers.

Escalating inflation and recessionary after-effects have led to buyers choosing to wait and watch carefully before making any investment. Until all the permissions and approvals are in place and construction has been completed upto a certain level, buyers are wary and limiting their financial exposure.

However, the housing industry has become competitive and customer-services oriented which has benefited both real estate developers and customers. It has also promoted growth in the housing sector. Also new project launches and speedy execution, which were at a decline for the last few years due to lack of approvals and regulatory issues have started to pick up with increased clarity from the government and municipal bodies.

Opportunities

- Demand for real estate in a city like Mumbai is inherently strong, which is also one of the fastest growing real estate markets in the world.
- There is also an adequate and rising demand for housing, especially among real users in a city like Mumbai.
- New DC Regulations and other policy changes are expected to expedite the pace of activity.
- Large population base, rising disposable income and rapid urbanization will work in our favour.
- Rise in per capita income of families creates aspirations for a better quality of life.
- Real estate funds are expected to pump money in this sector which will help growth.
- Residential prices are expected to rise over a period of time.
- For a redevelopment and slum rehabilitation company, there are ample opportunities for growth in a city like Mumbai.

Threats and Risk

- Change in government policies and regulations can negatively impact the real estate sector.
- Procedural delays in permissions and approvals from multiple agencies significantly affect the timely execution of projects.
- Rising prices of raw materials like cement, steel and sand can increase overall costs and squeeze margins.
- Economic slowdown may impact the growth of the real estate sector.
- Lack or very slow pace of growth in local infrastructure can also be a detrimental factor to growth.
- Lack of availability of funds and higher interest costs would dent margins and may have a direct effect on end product prices.

Outlook

The Company has proposed projects underway and looks towards the future with optimism. The Company is confident of sustained growth in the years ahead with various projects in which the Company is involved will yield good returns.

Disclosure of Risk management

The Company has adequate risk assessment and minimization procedure.

Segment-wise or Product-wise Performance

The Company is operating in a single segment i.e. real estate development and therefore this is only one reportable segment.

Internal Control Systems and their adequacy

The Company has developed an Internal Control System and procedures to ensure efficient conduct of business and security of its assets. The auditors review the effectiveness and adequacy of the internal control system by reviewing, analyzing and testing controls and make recommendations to the management to improve controls wherever necessary.

Human Resources

The Company has harmonious employee relations and there is close interaction between the management and employees to facilitate smooth functioning of our organizational activities. The Company facilitates consistent improvement in performance, productivity and effectiveness by setting targets through an interactive process. Human resources are being recognized as one of the critical areas to the success of our organization.

Cautionary Statement

Statements in this report on management discussion and analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions or reasonable expectation of future events.

Actual results could however differ materially from those expressed or implied, important factors that could make a difference to the Company's operations including material availability and prices, cyclical demand and pricing in the Company's principal markets, change in government regulations, tax regimes, economic developments within India and other incidental factors. The Company assumes no responsibility in respect to the forward-looking statements herein, which may undergo changes in the future on the basis of subsequent development.

For and on behalf of the Board

**Sd/-
Jimit Shah
Managing Director**

**Place: Mumbai
Date: May 30, 2013**

REPORT ON CORPORATE GOVERNANCE:

1. Company's Philosophy on Corporate Governance

Corporate Governance means achievement of excellence in business by increasing the shareholders value in the long run. This aim can be achieved by keeping in mind the needs, interests of all its stakeholders, and comply with all the rules, regulations and laws. Corporate Governance lays strong emphasis on transparency, accountability and integrity, professionalism & accountability so that it meets all the stakeholders' aspirations. The Company looks upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. Your Company's policy on Corporate Governance envisages these principles in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, government etc.

Clause 49 of the Listing Agreement stipulates norms and disclosures standards to be followed on the corporate governance by listed companies. The Board of Directors of Zodiac Ventures Limited has adequate representation of the qualified, professional, non-executive and independent directors.

2. BOARD OF DIRECTORS

A Composition of Board of Directors

The Board of Directors consists of optimum combination of Executive and Non-Executive Directors. Non-Executive Directors include independent professionals with experience in various field. The current strength of the Board is six comprising of two executive director and four non-executive directors. Of the six directors, three are independent directors and three are non-independent.

The composition of Board of Directors is as given below:

- Three Promoters, Executive and Non-Executive Director
- Three Non – Executive and Independent Directors

The Composition of the Board and the number of directorship, memberships and chairmanship of committees as on March 31, 2013, are given below:

Name of the Directors	Category of Directors	No. of Committee Membership, Chairmanships and Directorships of Public Companies (#) as on March 31, 2013		
		Committee Membership	Committee Chairmanship	Directorship
Mr. Ramesh Virji Shah	Promoter - Executive Director	-	-	-
Mr. Jimit Ramesh Shah	Promoter – Executive Director	-	-	-
Mr. Aakash Nayan Parikh	Independent – Non Executive Director	-	-	-
Mrs. Sunita Jimit Shah	Promoter – Non Executive Director	-	-	-
Dr. Anil Bhaskar Ghagare	Independent – Non Executive Director	-	-	-
Mr. Litesh Korshi Gada	Independent – Non Executive Director	-	-	-

(#) Excludes Private Limited Companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956