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ZODIAC - JRD - MKJ LIMITED

TWENTYFIRST ANNUAL REPORT
2007 - 2008



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

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 TWENTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF ZODIAC – JRD – MKJ LIMITED WILL BE HELD ON SATURDAY , 27th SEPTEMBER, 2008 AT 10.00 A.M. AT GARWARE CLUB HOUSE, GREEN ROOM, D ROAD, WANKHEDE STADIUM, CHURCHGATE, MUMBAI – 400 020 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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 Jindat Kalidas Mehta who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Champaklal Dolatram Mehta 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.

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 18th September, 2008 to 27th September, 2008 (both days inclusive).
- 4) Shareholders holding shares in identical order 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) 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, 2001	52,030=00	26-09-2008
31 ST MARCH, 2002	57,121=50	27-09-2009
31 ST MARCH, 2003	56,640=50	29-09-2010
31 ST MARCH, 2004	95,534=50	27-09-2011
31 ST MARCH, 2005	62,590=00	23-09-2012
31 ST MARCH, 2006	42,189=50	28-09-2013
31 ST MARCH, 2007	81,105=00	27-09-2014

- 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) Member are requested to immediately notify in their own interest the change in their addresses to the Company's Registrars & Transfer Agent: **Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (w), Mumbai-400 078.**

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 :-

i Item No. 3 of the Notice:

Name : Mr.Jindat Kalidas Mehta

Age : 45Years

Qualification : B.Com, CA

Expertise : Administrative

Date of Appointment: 24th March 2005.

ii Item No. 4 of the Notice:

Name : Mr.Champaklal Dolatram Mehta

Age : 71Years

Qualification : B.Com, CA

Expertise : Administrative

Date of Appointment: 06th January 2006.

- 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 warrants 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. 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.

- 11) 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

JAYANTILAL JHAVERI
CHAIRMAN

Date 26th August, 2008

Place : Mumbai

REGISTERED OFFICE :

910, Parekh Market,

39, J.S.S. Road,

Mumbai – 400 004.

**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, 2008.

(1) FINANCIAL RESULTS :

The highlights of the Financial Results are :

	Year ended 31-03-2008 (Rs. In Lakhs)	Year ended 31-03-2007 (Rs. In Lakhs)
Total Income	1267.56	1168.52
Net Profit before Depreciation And Interest	140.79	133.67
Less : Depreciation	8.35	8.81
Interest	0.08	0.67
Profit before Tax	132.36	124.19
Add : Deferred Tax	(0.60)	(0.77)
Less : Current Tax	25.95	24.27
Profit after Tax	107.01	100.69
Balance Profit brought forward	3678.01	3603.78
Prior Period Adjustments	0.05	1.96
Amt. Available for Appropriation	3784.97	3702.51
Less : Appropriation		
Proposed dividend	20.26	20.26
Tax on Distributed Profit	3.44	3.44
Fringe Benefit Tax	0.66	0.80
Balance carried forward To Balance Sheet	3760.61	3678.01

2. DIVIDEND :

The Directors are pleased to recommend a dividend @ 5% i.e. Rs. 0.50 per share for the year ended 31st March, 2008

3. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Jindat Kalidas Mehta and Mr.

Champaklal Dolatram Mehta 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.2.72 Lacs and the foreign exchange earned during the year was Rs1203.38 Lacs. The Net foreign exchange earned by the Company during the financial year is Rs. 1200.66 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	204000
Whole time Director	174000

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 **31st March, 2008**, 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, 2008** 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 **31st March, 2008** 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)

REGISTERED OFFICE :

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

Date : 26th August, 2008

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	Whole Time 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. Seven Board meetings were held during the period 31st March. 2008-

Name of the Directors	No. of Board Meeting Held	No. of Board Meeting Attended	Attendance at last A.G.M.
Mr. Jayantilal Jhaveri	7	7	YES
Mr. Rameshchandra Jhaveri	7	7	YES
Mr. Rajnikant Jhaveri	7	7	YES
Mr. Jayesh Jhaveri	7	7	YES
Mr. Devang Jhaveri	7	7	YES
Mr. Rajnikant Chokshi	7	7	YES
Mr. Jindat Mehta	7	7	YES
Mr. Champaklal Mehta	7	5	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 Company in the General Meeting held on 28-09-2007.

Name	Remuneration Rupees	Perquisite Rupees	Total Remuneration	Terms of appointment
Jayesh J Jhaveri (Managing Director)	204000.00	51327.00	255327.00	25-09-2007
Devang R. Jhaveri (Wholetime Director)	174000.00	14565.00	188565.00	25-09-2007

Payment of sitting fees to the Director :

Name of the Director	Sitting fees paid in Rupees
1. Jayantilal A. Jhaveri	3500.00
2. Rameshchandra A. Jhaveri	3500.00
3. Rajnikant A. Jhaveri	3500.00
4. Jayesh J Jhaveri	N.A.
5. Devang R. Jhaveri	N.A.
6. Rajnikant S. Chokshi	6000.00
7. Jindat K Mehta	6000.00
8. Champaklal D. Mehta	5000.00

**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. Jindat K Mehta	Member	5
Mr. Champaklal D Mehta	Member	5

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

2) Total 29 meetings of shareholders / Investors Grievance Committee were held during the year 2007-2008 on the following dates :

06-04-2007	13-04-2007	20-04-2007	25-05-2007	01-06-2007	08-06-2007
15-06-2007	13-07-2007	20-07-2007	03-08-2007	24-08-2007	31-08-2007
07-09-2007	20-09-2007	05-10-2007	12-10-2007	02-11-2007	23-11-2007
07-12-2007	14-12-2007	21-12-2007	28-12-2007	11-01-2008	25-01-2008
01-02-2008	08-02-2008	22-02-2008	14-03-2008	28-03-2008	

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
Mr. Jayantilal Jhaveri	Independent	29	29
Mr. Rameshchandra Jhaveri	Director	29	29
Mr. Rajnikant Jhaveri	Director	29	29
Mr. Jayesh Jhaveri	Executive Director	29	29
Mr. Devang Jhaveri	Independent	29	29

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.

IV. SHAREHOLDER INFORMATION

1. ANNUAL GENERAL MEETING :-

- * Date and Time : 27th September, 2008 at 10.00 a.m.
- * Venue : Garware Club House, D Road, Green Room, Wankhede Stadium, Churgate Mumbai – 400 020.
- 2. Book Closure Date : 18th September, 2008 to 27th September, 2008.
- 3. Dividend Payment Date : 15th October, 2008
- 4. Registered office : ZODIAC-JRD-MKJ LIMITED
910, PAREKH MARKET, 39 J.S.S ROAD,
OPERA HOUSE, MUMBAI – 400 004.
- 5. Equity shares listed : NATIONAL STOCK EXCHANGE OF INDIA
THE STOCK EXCHANGE, MUMBAI (CODE NO. 512587)

6. Stock Price Data

Period April,2007 to March,2008	THE STOCK EXCHANGE MUMBAI (B.S.E.)	
	HIGH	LOW
APRIL	33.00	26.40
MAY	32.80	26.40
JUNE	30.80	25.70
JULY	30.80	24.45
AUGUST	29.90	24.00
SEPTEMBER	40.80	25.50
OCTOBER	33.75	26.00
NOVEMBER	36.40	26.05
DECEMBER	51.35	30.35
JANUARY	62.40	27.10
FEBRUARY	62.00	27.10
MARCH	55.45	28.20

7. Registrar & Transfer Agent : Intime Spectrum Registry Limited
Pannalal Silk Mills Compound
1st Floor, L.B.S. Marg,
Bhandup (West),
Mumbai

All the share transfer deed are processed quickly and share certificates are posted within 15 to 20 days from the date of receipt on an average. Incomplete Shares deeds are returned to transferees with a request to return after rectifying the deficiencies pointed out.

With effect from 31/08/2000 & 02/03/2000 the Company's Equity Shares are admitted in Dematerialized form through CDSL & NSDL respectively. The Intime Spectrum Registry Ltd. has provided to the Company necessary connectivity for the purpose. So far 43.29% of Equity shares is held in Dematerialized form.

8. Distribution of shareholding as on 31st March, 2008

No. of Equity Shares held	SHAREHOLDERS		SHARES	
	NOS.	%	RUPEES	%
Upto 5000	5198	93.79	6807830	16.80
5001-10000	182	3.28	1501840	3.70
10001-20000	84	1.51	1202080	2.97
20001-30000	23	0.42	586000	1.45
30001-40000	12	0.22	426100	1.05
40001-50000	8	0.14	374320	0.92
50001-100000	12	0.22	779970	1.93
100001 & above	23	0.42	28843160	71.18
Total	5542	100.00	40521300	100.00

9. Category of Shareholdings as on 31st March,2008

SR. NO.	CATEGORY	DEMATED SHARES	NO. OF HOLDERS	PHYSICAL		NO. EQUITY SHARE
				SHARES	HOLDERS	
1	OTHER CORPORATE BODIES	246536	200	4600	18	251136
2	CLEARING MEMBER	35565	53	0	0	35565
3	DIRECTOR	360689	5	1796650	38	2157339
4	FOREIGN COMPANY	295150	1	300000	1	595150
5	MUTUAL FUND	0	0	1000	2	1000
6	NATIONALISED BANK	500	1	0	0	500
7	NON NATIONALISED BANK	0	0	100	1	100
8	NON RESIDENT INDIAN	10337	27	0	0	10337
9	PUBLIC	805253	3478	193420	1699	998673
10	RELATIVES OF DIRECTORS	0	0	2330	18	2330
11	HINDU UNDIVIDED FAMILY	0	0	0	0	0
TOTAL		1754030	3765	2298100	1777	4052130

10. Financial Release Dates for 2008-2009

Quarter**Release Date (Tentative and subject to change)**1st Quarter ending 30th June 2008

End of July, 2008

2nd Quarter ending 30th September,2008

End of October, 2008

3rd Quarter ending 31st December,2008

End of January, 2009

4th Quarter ending 31st March,2009

End of April, 2009



V. OTHER DISCLOSURES

1. Details of Annual / Extraordinary General Meetings

Location and time of General Meetings held in last 3 years .

Year	AGM / EGM	LOCATION	DATE	TIME
2006-2007	A.G.M.	Birla Krida Kendra, Chowpatty, Mumbai	28th September, 2007	9.30 a.m.
2005-2006	A.G.M.	Birla Krida Kendra, Chowpatty, Mumbai	29th September, 2006	11.00 a.m.
2004-2005	A.G.M.	Birla Krida Kendra, Chowpatty, Mumbai	24th September, 2005	11.00 a.m.

2. MEANS OF COMMUNICATION

- Company is publishing results in National & Regional Newspapers. A report on limited review of the Financial Results for the quarter ended 30th June 2007, 30th September 2007, 31st December 2007 & 31st March 2008 was obtained.
- Management Discussion & Analysis is part of Annual Report 2007-2008
- Company had paid Annual Listing Fees to N.S.E. & B.S.E.

3. OTHER DISCLOSURE :

- There were no materially significant related party transaction with the promoters, Directors etc that may have potential conflict with the interests of the Company at large.
- There were no non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter relating to the capital markets during the last three years.
- There were no pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company.
- A list of transactions with related parties as per Accounting Standard AS 18 mentioned in Schedule 16 to the Audited Accounts.

Management Discussion & Analysis

Forward Looking Statements

Forward looking statements are based on certain assumptions and expectations of future events.

The company cannot guarantee that these assumptions and expectations are accurate or will be Realized. The Company's actual performance or achievements could thus differ materially on those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking Statements, on the basis of any subsequent developments, information or events.

Overall Review

During the financial year under review the Sales have grown up from Rs. 1097.88 lacs to Rs.1188.25 Lacs, Other Income increased from Rs. 70.64 Lacs to Rs. 79.31 Lacs. Company's Net profit before extra ordinary items increase by 6.46% from Rs.99.90 to Rs. 106.35 Lacs. Earning per share increased from Rs. 2.47 to Rs. 2.62

Risk & Concern

Risk is intrinsic to any business and is essential ingredient to growth. Your company is exposed to foreign exchange risk due to volatility in foreign exchange rate having an impact on exports business Company is dealing with the reputed clients in overseas market & taking maximum precaution before supplying material.

Internal Control

The company has an extensive system of internal controls which ensures optimal utilization and protection of resources, accurate reporting of financial transactions and compliance with applicable laws regulations as also internal policies and procedures. The internal control system is supplemented by extensive internal audits, regular reviews by management and well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

Outlook for Future

It is expected that the steps taken by the Company in the recent year have increased the turnover of the company, coupled with promising outlook for the business the company is engaged in, will translate into a healthy performance for the company. Barring unforeseen circumstances, the company expects to continue to report satisfactory performance in the future.



COMPLIANCE CERTIFICATE FROM THE AUDITORS OF THE COMPANY

To,
The Members of
ZODIAC-JRD-MKJ LTD

We have examined the compliance of conditions of Corporate Governance by **ZODIAC-JRD-MKJ LTD.** for the year ended **March 31,2008** as stipulated in clause 49 of the Listing agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for period exceeding one month against the company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR ARUN GANATRA & CO.
CHARTERED ACCOUNTANTS**

(A. L. GANATRA)
PROPRIETOR

Date 26th August, 2008
Place : Mumbai



AUDITOR'S REPORT

To,
The Members of
ZODIAC-JRD-MKJ LIMITED

We have audited the attached Balance Sheet of **ZODIAC-JRD-MKJ LIMITED** as at **31st March, 2008** and also the Profit & Loss Account for the year ended on that date annexed thereto and cash flow statement for the period ended on that date. These financial statements are the responsibility of Company's management. Our responsibility is to express opinion on these financial statements based on our audit.

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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts & disclosures in financial statements. An Audit also includes assessing the accounting principles used & 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.

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956, as per information & explanation given to us, we give in the Annexure, a statement on the matters specified in Paragraph 4 & 5 of the said Order.

2. Further to our comments in the Annexure referred to in Paragraph 1 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 accounts as required by law have been kept by the Company

so far as it appears from our examination of the books of the Company.

(c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.

(d) In our opinion, the Balance Sheet & Profit & Loss account dealt with by this report comply with the accounting standards referred to in Sec.211 (3C) of the Companies Act, 1956.

(e) On the basis of written representations, received from the directors as on **31st March, 2008** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March, 2008** from being appointed as a director in terms and section 274(1) (g) of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us the said accounts gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

(i) In the case of the Balance Sheet, of the state of the Company's affairs as at **31st March, 2008** and

(ii) In the case of Profit and Loss Account of the profit for the year ended on that date.

(iii) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

**For ARUN GANATRA & CO.,
Chartered Accountants**

Date 26th August, 2008
Place : Mumbai

(A. L. GANATRA)
Proprietor,



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 2 of our report of even date on the accounts for the year ended **31st March, 2008 of ZODIAC - JRD - MKJ LIMITED.**)

1. In respect to Fixed Assets :

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. All fixed assets have been physically verified by the management at periodical intervals during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(b) There was no disposal of fixed assets during the year.

2. In respect to its inventories :

(a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals.

(b) According to the information and explanations given to us, 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 & according to the information and explanations given to us the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.

3. According to information and explanations given to us, the company has not granted / taken any loans, secured or unsecured to/from companies, firms or other parties covered in register required to be maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. During the course of our audit, no major weakness has been noticed in the internal controls.

5. (a) In our opinion and according to the information and explanations given to us, there are the transactions made in pursuance of contract or arrangements, that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contract or arrangements entered in the register to be maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs Only) or more in respect of any party.

6. The Internal Audit of the company has been carried out by an independent firm of Chartered Accountants. In our opinion, the internal audit functions carried out have been commensurate with the size and nature of its business.

7. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.

8. According to the records of the Company, the Company is regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, wealth tax, sales-tax, customs duty and excise duty were outstanding at the year end for a period of more than six months from the date they became payable.

9. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the current and immediately preceding financial year.



10. The Company does not have any borrowings from financial institution, bank and by way of debentures.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to Company.
12. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit funds / societies.
13. In respect of dealing in securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The securities and other investments have been held by the Company in its own name.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its subsidiaries and associates from banks or financial institutions.
15. The Company did not have any term loans outstanding during the year.
16. We have been informed by the management and on overall examination of the Balance Sheet of the company, we report that the funds have not been raised on short-term basis and or long term during the current financial year. Surplus funds of the company which were not required for immediate utilization have been gainfully invested in Mutual Fund, Liquid Fund and investments.
17. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money through a public issue during the year.
20. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For ARUN GANATRA & CO.,
Chartered Accountants**

Date 26th August, 2008
Place : Mumbai

(A. L. GANATRA)
Proprietor,

**BALANCE SHEET AS AT 31ST MARCH 2008**

	SCHEDULE NO	31ST MARCH, 2008		31ST MARCH, 2007
		RUPEES	RUPEES	RUPEES
SOURCES OF FUNDS				
<u>SHAREHOLDERS' FUND</u>				
Capital	1		40,521,300	40,521,300
Reserves and Surplus	2		420,278,977	412,019,029
LOAN FUNDS	3		11,944,806	0
TOTAL			472,745,083	452,540,329
APPLICATION OF FUNDS				
<u>FIXED ASSETS</u>				
Gross Block	4	18,852,647		18,106,087
Less: Depreciation		9,842,857		9,007,897
Net Block			9,009,790	9,098,190
INVESTMENTS	5		53,363,525	50,194,374
<u>WORKING CAPITAL</u>				
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>				
Inventories	6	349,658,050		336,432,494
Sundry Debtors	7	35,510,533		33,837,707
Cash and Bank Balances	8	6,765,613		3,685,041
Other Current Assets	9	1,137,333		1,130,961
Loans and Advances	10	26,247,440		27,802,713
	(i)	419,318,969		402,888,917
<u>LESS : CURRENT LIABILITIES AND PROVISIONS</u>				
Sundry Creditors	11	1,488,654		1,280,100
Provisions	12	7,458,548		8,361,053
	(ii)	8,947,202		9,641,153
NET CURRENT ASSETS	(i-ii)		410,371,768	393,247,764
(To the extent not written off/adjusted)			472,745,083	452,540,329
NOTES TO THE ACCOUNTS	16			

As per our attached report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **ARUN GANATRA & CO.**
Chartered Accountants(A. L. GANATRA)
Proprietor

Chairman

Managing Director

Director

MEMBERSHIP NO.: 31720

Mumbai, 26th August, 2008

Mumbai, 26th August, 2008

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	SCHEDULE NO	31ST MARCH, 2008 RUPEES	31ST MARCH, 2007 RUPEES
INCOME			
Sales		118,825,322	109,788,036
Other Income	13	7,930,881	7,063,794
		126,756,203	116,851,830
EXPENDITURE			
(Increase)/Decrease in stocks	14	(5,895,895)	(7,271,747)
Manufacturing and other expenses	15	118,572,977	110,756,196
Interest		7,783	66,893
Depreciation		834,960	880,928
		113,519,825	104,432,270
PROFIT/(LOSS) BEFORE TAX		13,236,378	12,419,559
Current Tax		2,595,450	2,427,470
Deffered Tax		(59,581)	(77,453)
Fringe Benefit Tax		65,234	79,883
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		10,635,275	9,989,659
Balance profit/(Loss) brought forward		367,801,329	360,378,155
		378,436,604	370,367,814
Tax Adjustments of previous year		(4,932)	(196,089)
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION		378,431,672	370,171,724
APPROPRIATIONS			
Tax on Distributed Profit		344,330	344,330
Proposed Dividend		2,026,065	2,026,065
		2,370,395	2,370,395
BALANCE CARRIED TO BALANCE SHEET		376,061,277	367,801,329

NOTES TO THE ACCOUNTS

16

As per our attached report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For ARUN GANATRA & CO.
Chartered Accountants

(A. L. GANATRA)
Proprietor

Chairman

Managing Director

Director

MEMBERSHIP NO.: 31720

Mumbai, 26th August, 2008

Mumbai, 26th August, 2008



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE 1	31ST MARCH, 2008	31ST MARCH, 2007
SHARE CAPITAL	RUPEES	RUPEES
Authorised		
1,10,00,000 Equity Shares of Rs. 10 Each (1,10,00,000 Equity Shares of Rs. 10 Each)	110,000,000	110,000,000
Issued subscribed and paid up		
4,052,130 Equity Shares of Rs. 10 each (4,052,130 Equity Shares of Rs. 10 each)	40,521,300	40,521,300
TOTAL	40,521,300	40,521,300

Note : Of the above shares 20,00,000 shares were allotted in October, 1992 as fully paid up against part discharge of purchase consideration towards the takeover of the business

SCHEDULE 2

RESERVES AND SURPLUS

General Reserve		
Balance brought forward	6,717,700	6,717,700
Share Premium		
Balance brought forward	37,500,000	37,500,000
Balance on Profit and Loss Account	376,061,277	367,801,329
	420,278,977	412,019,029

SCHEDULE 3

UNSECURED LOANS :SCHEDULE 3

other loans and advances :

From Directors	11,944,806	0
From Inter Corporate	0	0
	11,944,806	0

SCHEDULE 4

FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2007 (Rs.)	ADDITIONS (Rs.)	DEDUCTION (Rs.)	AS AT 31/03/2008 (Rs.)	AS AT 01/04/2007 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTION (Rs.)	AS AT 31/03/2008 (Rs.)	AS AT 31/03/2007 (Rs.)	AS AT 31/03/2008 (Rs.)
OFFICE PREMISES	3641250	0	0	3641250	804301	59352	0	863653	2836949	2777597
FACTORY PREMISES	1076413	0	0	1076413	462192	35952	0	498144	614221	578269
PLANT & MACHINERY	6592661	535870	0	7128531	3649086	336257	0	3985343	2943575	3143188
OFFICE EQUIPMENT										
COMPUTER	1078680	17500	0	1096180	1000718	15786	0	1016504	77962	79676
OTHER EQUIPMENT	733707	174065	0	907772	219949	53267	0	273216	513758	634556
FURNITURE & FIXTURE	584404	19125	0	603529	470173	37500	0	507673	114231	95856
VEHICLES	4398972	0	0	4398972	2401478	296846	0	2698324	1997494	1700648
TOTAL	18106087	746560	0	18852647	9007897	834960	0	9842857	9098190	9009790
PREVIOUS YEAR FIGURES (RS.)	(17810695.00)	(295392.00)	0.00	(18106087.00)	(8126969.00)	(880928.00)	0.00	(9007897.00)	(9683726.00)	(9098190.00)

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008****SCHEDULE 5****INVESTMENTS (Non trade) :****Long-Term Investments (At Cost)****(A) QUOTED**

	31ST MARCH, 2008		31ST MARCH, 2007	
	UNITS	RUPEES	UNITS	RUPEES
Hico Product Limited	500	16,875	500	16,875
Hindustan Lever Limited	30	7,299	80	19,315
Overseas Cables Limited	100	2,295	100	2,295
Softrak Technology Limited	500	8,220	500	8,220
Spic Fine Chemicals Limited	100	1,000	100	1,000
Supriya Pharmaceuticals Limited	400	8,000	400	8,000
Reliance Industries Ltd.	1325	2,336,805	3510	4,460,553
Hindalco Limited	0	0	875	115,563
Hindalco Limited (PARTLY PAID)	0	0	252	12,096
ISPAT LTD.	0	0	2940	78,779
TCS limited	200	180,423	75 (*)	21,050
Tata Steel	65	28,942	1460	823,229
Infosys Limited	1515	3,006,120	1060	2,162,979
S.M.Dychem Limited	5300	43,930	5300	43,930
O.N.G.C.Limited	85(**)	0	330(**)	211,480
I.T.C..Limited	0	0	2975	484,511
Alstom Power Project Limited	0	0	500	212,710
Agro Tech Food Limited	0	0	1000	132,321
Reliance Capital Venture Limited	0	0	79	15,961
Reliance Communication Venture Limited	1540	855,506	5985	2,092,311
Reliance Energy Venture Limited	0	0	118	89,632
Reliance Natural Resource Ltd.	1600	255,812	34000	933,158
Telco Limited	0	0	20	17,626
Cipla Limited	260(***)	70,137	260(***)	70,137
Pdizer Limited	200	216,726	200	216,726
Reliance Petroleum limited	22250	3,099,874	3000	180,907
LIC Housing Limited	0	0	75	15,444
Tech Mahindra Limited	825	1,369,360	565	986,493
Mahendra Gesco Corporation Limited	50	58,748	50	58,748
Rashtriya Chemical Limited	0	0	2000	142,220
Manglore Refinery Petroleum Limited	0	0	500	29,710
Tata Chemical Limited	0	0	510	136,212
Petronet Limited	0	0	1000	64,440
Unitech Limited	0	0	100	47,288
Bharat Earth Movers Limited	0	0	590	698,753
akruti Nirman Limited	0	0	146	78,840
Power Finance Corporation Limited	0	0	650	71,395
ACC Limited	0	0	25	21,669
RELIANCE POWER LIMITED	100	45,000	0	0
TOTAL	(A)	11,611,071		14,782,574
(B) UNQUOTED				
ISPAT Limited Preference Share	1960	60,596	0	60,596
CCPS- TATA STEEL LTD.	131	13,100	0	0
MKJ Jewellery Private Limited.	@ 249600	21,442,000	166980	13,180,000
TOTAL	(B)	21,515,696		13,240,596

(@) INCLUDING 20000 BONUS SHARES ALLOTTED ON 23/08/2002 + 15180 BONUS SHARES ON 10-11-2006

(*) INCLUDING 60 BONUS SHARES ALLOTTED ON 12-08-2006

(**) INCLUDING 145 BONUS SHARES ALLOTTED ON 16-11-2006

(***) INCLUDING 150 BONUS SHARES ALLOTTED ON 16-05-2006



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

(C) OTHER INVESTMENTS		31ST MARCH, 2008	31ST MARCH, 2007
		RUPEES	RUPEES
LIC FLO. A/C. No. 5101071061		3,638,758	3,373,204
RELIANCE F/D. HORIZON PLAN		0	2,000,000
BIRLA (Q) FMP A/C.NO. 1009844419		0	200,000
TOTAL	(C)	3,638,758	5,573,204
BOND :			
ARS 6.60% BONDS (UTI)	(D)	16,598,000	16,598,000
Total Investment (A + B + C + D)		53,363,525	50,194,374

The aggregate market value of the quoted investments i.e. Equity Shares as on 31st March, 2008 was Rs. 10793833 (Rs. 14733025)

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

CURRENT ASSETS LOANS AND ADVANCES :	31ST MARCH, 2008	31ST MARCH, 2007
	RUPEES	RUPEES
SCHEDULE - 6		
INVENTORIES (As valued & certified by Managing Director)		
Raw Silver	83,645	83,645
Rough Diamonds	32,860,513	29,507,661
Cut & Polished Diamonds	310,524,609	305,209,815
Precious & Semi Precious Stones	1,500,863	1,502,631
Gold	3,326,098	128,742
Pearl	364,488	0
Silver alloy	414,965	0
Gold Jewellery (Finished)	582,869	
	349,658,050	336,432,494
SCHEDULE - 7		
SUNDRY DEBTORS :		
Sundry debtors (unsecured & considered good as certified by managing director)		
Other debts (all due for less than 180 days)	35,510,533	33,837,707
	35,510,533	33,837,707
SCHEDULE - 8		
CASH AND BANK BALANCE :		
Cash on hand (As certified by Managing Director)	53,136	71,301
Balance with scheduled banks In current accounts	6,712,477	3,613,740
	6,765,613	3,685,041
SCHEDULE - 9		
OTHER CURRENT ASSETS :		
Deposits :		
With Banks	1,017,000	1,009,863
With Others	120,333	121,098
	1,137,333	1,130,961
SCHEDULE - 10		
LOANS AND ADVANCES (Unsecured Considered good)		
Loans :		
Intercorporate Loan	0	0
Advances recoverable in cash or in kind or for value to be received	917,443	840,800
Capital advances	16,961,800	16,961,000
Taxes paid	8,231,163	9,923,460
Deferred Tax Asset {Refer Sch. No. 16 (17b) }	137,034	77,453
	26,247,440	27,802,713

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

	31ST MARCH, 2008 RUPEES	31ST MARCH, 2007 RUPEES
CURRENT LIABILITIES & PROVISIONS		
SCHEDULE - 11		
CURRENT LIABILITIES		
Sundry creditors	1,215,838	1,053,560
Other liabilities	272,816	226,540
	<u>1,488,654</u>	<u>1,280,100</u>
SCHEDULE - 12		
PROVISIONS		
Provision for tax	0	0
Proposed Dividend	2,026,065	2,026,065
Tax on distributed Profit	344,330	344,330
Current Tax	5,088,153	5,990,658
	<u>7,458,548</u>	<u>8,361,053</u>

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2008**

	31ST MARCH, 2008 RUPEES	31ST MARCH, 2007 RUPEES
SCHEDULE - 13		
OTHER INCOME		
Interest on Mutual Fund (T.D.S.Rs.0) (Previous Year Rs. 0)	0	0
Interest on Shares/Debenture (T.D.S.Rs 0.00) (Previous Year Rs.0)	0	92,785
Interest on Bank Deposit (TDS.Rs.12239.99) (Pre. Year Rs. 11219.99)	83,507	50,000
Dividend (T.D.S.Rs.0) (Previous Year Rs. 0)	677,177	1,950,114
Incentive (T.D.S.Rs. 0) (Previous Year Rs. 0)	0	0
Profit on Sale of Shares/Mutual Fund	5,667,425	3,597,310
Discount	1,145	690
Speculation Profit	200,313	162,059
Sundry Creditor W/off	0	115,368
Interest on ARS Bonds	1,095,468	1,095,468
Interest on I.Tax Refund	198,345	0
I.tax cost reward	7,500	0
	<u>7,930,881</u>	<u>7,063,794</u>
SCHEDULE - 14		
(INCREASE) / DECREASE IN STOCKS		
Opening Stock		
Cut & Polished Diamonds, Precious & Semi Precious Stones	306,712,446	299,440,699
Closing Stock		
Cut & Polished Diamonds	310,524,609	305,209,815
Precious & Semi Precious Stones	1,500,863	1,502,631
Gold Jewellery (Finished)	582,869	0
	<u>(5,895,895)</u>	<u>(7,271,747)</u>



**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2008**

SCHEDULE - 15	31ST MARCH, 2008		31ST MARCH, 2007	
	RUPEES	RUPEES	RUPEES	RUPEE
MANUFACTURING AND OTHER EXPENSES :				
Purchase of Cut & Polished Diamonds		79,525,000		91,063,765
Purchase of Precious & Semi Precious Stone		11,161		0
Raw Material Consumed (Diamonds)				
Opening Stock	29,507,661		28,108,407	
Purchases	25,359,368		12,244,991	
	54,867,029		40,353,398	
Less : Closing Stock	32,860,513		29,507,661	
(a)	22,006,516		10,845,737	
Raw Silver				
Opening Stock	83,645		83645	
Purchases	0		0	
	83,645		83645	
Less : Closing Stock	83,645		83645	
(b)	0		0	
Raw Gold				
Opening Stock	128,742		0	
Purchases	6,695,143		128742	
Import Exchange Difference	(12,220)		0	
Import Expenses	151,792		0	
	6,963,457		128742	
Less : Closing Stock	3,326,098		128742	
(c)	3,637,359		0	
Raw pearl				
Opening Stock	0		0	
Purchases	451,957		0	
Import Exchange Difference	(25,462)		0	
Import Expenses	3,064		0	
	429,559		0	
Less : Closing Stock	364,488		0	
(d)	65,071		0	
Raw silver alloy				
Opening Stock	0		0	
Purchases	1,254,178		0	
	1,254,178		0	
Less : Closing Stock	414,965		0	
(e)	839,213		0	
	(a+b+c+d+e)	26,548,159		10,845,737
Labour Charges		7,481,784		4,125,845
Consumable Stores & Tools		197,780		0
Rent, Rates & Taxes		386,034		361,933
Repairing to other Assets		69,136		10,750
Managerial Remuneration		443,892		318,286
Director's Sitting Fees		27,500		22,000
Salaries, Bonus & other employees' benefits :				
Salary, Wages and Bonus	306,276		298000	
Contribution to Provident & other Funds	94,285	400,561	272040	570,040
Miscellaneous expenses		2,047,396		2,078,020
Insurance		110,272		135,374
Electricity		323,088		233,684
Brokerage/Commission		10,573		0
Donation		350,000		450,000
Auditors Remuneration		35,000		35,000
Factory Rent		48,000		48,000
Director's foreign travelling expenses		355,322		299,753
Bank Charges		164,762		119,560
Stock Exchange Listing Fees		37,557		38,450
		118,572,977		110,756,197



SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

SCHEDULE - 16 NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES

A) Basic of accounting:

- i) All income and expenditure items are accounted on accrual basis except insurance claims and gratuity are accounted on realisation/ payment.
- ii) All fixed assets are stated at cost less depreciation.
- iii) In view of compliance of AS 23 the Company has not incurred financing cost during the year which requires capitalisation.

B) Depreciation :

Depreciation on the assets has been provided for by the straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

C) Investment :

All the investments of the company have been considered by the management to be of long term nature and are valued at cost.

D) Inventories:

Inventories are valued as under

	<u>2007-08</u>	<u>2006-2007</u>
i) Rough Diamonds	At Average Cost Of Purchases	At Average Cost Of Purchases
ii) Cut & Polished Diamonds	At Average Cost Of Purchases	At Average Cost Of Purchases
iii) Raw Silver	At Average Cost Of Purchases	At Average Cost Of Purchases
iv) Gold Jewellery	At Average Cost Of Purchases	At Average Cost Of Purchases
v) Precious & Semi precious stones	At Average Cost Of Purchases	At Average Cost Of Purchases
vi) Silver alloy	At Average Cost Of Purchases	At Average Cost Of Purchases
vii) Pearl	At Average Cost Of Purchases	At Average Cost Of Purchases

E) Foreign Exchange Transaction

- i) The transactions in foreign currency relating to imports & exports are recorded at the exchange rate prevailing at the time of the transaction.
- ii) Realised gains/losses on foreign exchange transactions are recognised in the Profit and Loss Account, at the time of actual realisation of gains/ losses
- iii) Unrealised exports are recorded at the exchange rate prevailing at the close of the year and unrealised exports for which Exchange sale forward contracts have been entered into with the banks are recorded at the exchange rate prevailing at the close of the year.

2. The company did not have a whole time company secretary and hence the accounts have been signed by Chairman & two Directors.

3. **Gratuity & Leave Encashment** : As informed by the directors the Company accounts liability towards leave encashment on Realisation/Payment basis. The company has made provision for Gratuity in compliance of AS -15

4. Contingent liability not provided in respect of :
Income Tax Assessment orders have been received upto A.Y : **2006-07** and refund orders have been received for these years

5. a) DETAILS OF LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION OF GOODS. MANUFACTURED (As certified by Managing Director.)

	Units	LICENCED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION
Cut & Polished Diamonds	CARATS	N.A (N.A)	N.A (N.A)	2030.37 (1187.94)
Gold Jewellery	CARATS	N.A (N.A)	N.A (N.A)	N.A (N.A)

Note : Actual production includes manufactured through outside jobwork.

b) DETAILS OF OPENING STOCK, CLOSING STOCK AND TURNOVER OF FINISHED GOODS (as valued and certified by Managing Director)

	UNITS	OPENING STOCK		CLOSING STOCK		TURNOVER	
		QUANTITY	RS.	QUANTITY	RS.	QUANTITY	RS.
Cut & Polished Diamonds	Carats	30069.21 (30915.70)	305209815 (297938068)	(#) 31667.42 (#) (30069.21)	310524609 (305209815)	9556.46 (9961.58)	(*) 99435874 *(109788036)
Gold Jewellery (Finished)	Cts Grms	0 0 (0)	0 0 (0)	47.16} 90.893} (0)	582869 582869 (0)	722.24} 2263.725} (0)	(**) 19260754 (0)
Precious & Semi Precious Stones	Carats	6160.14 (6160.14)	1502631 (1502631)	6235.05 (6160.14)	1500863 (1502631)	53.71 0.00	6373 0

(*) Export of Polished Diamonds includes Export Exchange Difference of Rs. -1299480 (Rs. 23226)

(**) Export of jewellery includes Export Exchange Difference of Rs. -114736 (Rs. Nil)

c) DETAILS OF FINISHED GOODS PURCHASED

	UNITS	2007-08		2006-07	
		QUANTITY	RS.	QUANTITY	RS.
Cut & Polished Diamonds	Carats	9893.70	79525000	7927.15	91063765
Semi Precious	Carats	128.62	11161	(0)	(0)



d) DETAILS OF OPENING STOCK, PURCHASE AND CLOSING STOCK OF RAW MATERIALS (As valued and certified by Managing Director)

	UNITS	STOCK		PURCHASE		TURNOVER		CLOSING STOCK	
		QUANTITY	RS.	QUANTITY	RS.	QUANTITY	RS.	QUANTITY	RS.
Rough Diamonds	Carats	9389.85 (9604.33)	29507661 (28108407)	5651.96 (3293.93)	25359368 (12244991)	0 (0)	0 (0)	8713.32 (9389.85)	32860513 (29507661)
Raw Gold	Gms	105.336 (0)	128742 (0)	6732.524 (105.336)	(*)6834715 (128742)	0 (0)	0 (0)	3332.909 (105.336)	3326098 (128,742)
Pearl		0 (0)	0 (0)	3862.100 (0)	(**)429559 (0)	747.450 (0)	122321 (0)	3114.650 (0)	364,488 (0)
Raw Silver Alloy	Grms	0 (0)	0 (0)	10840.380 (0)	1254178 (0)	0 (0)	0 (0)	3586.718 (0)	414965 (0)
Raw Silver	Carats	10896.20 (10896.20)	83645 (83645)	0 (0)	0 (0)	0 (0)	0 (0)	10896.20 (10896.20)	83645 (83645)

(*) PURCHASES GOLD INCLUDES IMPORT EXCHANGE DIFFERENCE EARNINGS OF RS. -12220.55(71.00)

(**) PURCHASES PEARL INCLUDES IMPORT EXCHANGE DIFFERENCE EARNINGS OF RS. -25462(NIL)

e) DETAILS OF RAW MATERIAL CONSUMED

	UNITS	QUANTITY	RS.
Rough Diamonds	Carats	6328.49 (3508.41)	22006516 (10845737)
Raw Gold	Grms	3631.158 (0)	3637359 (0)
Raw Pearl	Carats	747.450 (0)	65071 (0)
Raw Silver alloy	Grms	7253.662 (0)	839213 (0)

f) Imported & Indigenous Consumption

	RUPEES		% OF TOTAL CONSUMPTION	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Raw Materials Imported				
Rough Diamonds	0	0	0.00	0.00
Raw Gold	1335715	0	36.72	0.00
Raw silver alloy	0	0	0.00	0.00
Raw Pearl	65071	0	100.00	0.00
Indigenous				
Rough Diamonds	22006516	10845737	100.00	100.00
Raw Gold	2301644	0	63.28	0
Raw silver alloy	839213	0	100.00	0
Raw Pearl	0	0	0	0
Total				
Rough Diamonds	22006516	10845737	100.00	100.00
Raw Gold	3637359	0	100.00	0
Raw silver alloy	839213	0	100.00	0
Raw Pearl	65071	0	100.00	0

6. MANAGERIAL REMUNERATION

Detail of remuneration paid/allowed by way of remuneration to the managing director & Executive director are as follows.

	2007-08 Rs.	2006-07 Rs.
1) To the Managing Director		
Salary & Allowances	204000	108000
Reimbursement of Mediclaim Premium	51327	109097
Total	255327	217097
2) To the Whole time Director		
Salary & Allowances	174000	84000
Reimbursement of Mediclaim Premium	14565	17189
Total	188565	101189

Managerial Remuneration of Rs. 443892 (Previous year Rs. 318286)

The company has been advised that computation of Net Remuneration u/s 349 of the Companies Act, 1956 need not be enumerated, since no commission is paid to Directors. Fixed monthly Remuneration is paid to Directors as per schedule XII of the Companies Act, 1956.

7. PAYMENTS TO AUDITORS

	(Rs.) 2007-08	(Rs.) 2006-07*
Audit fees	25000	25000
Tax audit fee	7000	7000
Certification fee	3000	3000
Total	35000	35000

8. DETAILS OF INTEREST

	(Rs.) 2007-08	(Rs.) 2006-07
Paid to Bank	0	0
Paid to others	7,783	66,893

9. CIF Value of imports :

	(Rs.) 2007-08	(Rs.) 2006-07
RAW GOLD		
Raw material	1335715	128742
RAW PEARL		
Raw Pearl	429559	0

(*) PURCHASES GOLD INCLUDES IMPORT EXCHANGE DIFFERENCE EARNINGS OF RS. -12220.55(71.00)

(**) PURCHASES PEARL INCLUDES IMPORT EXCHANGE DIFFERENCE EARNINGS OF RS. -25462(NIL)

**10. Expenditure in Foreign currency (Including purchase of foreign exchange converted at Rupee value)**

	(Rs.) <u>2007-08</u>	(Rs.) <u>2006-07</u>
(A) Foreign Travelling	272050.00	299753.00
(B) Foreign Membership & other Fees	0.00	0.00
(C) Foreign Advertisement Expenses	0	0

11. Earnings in Foreign Currency as per Bank Certificate of Export & Realisation :

	(Rs.) <u>2007-08</u>	(Rs.) <u>2006-07</u>
FOB value of Exports	120337864	108552653

12. Amount remitted during the period in foreign currency on account of Dividends.

Number of Non-Resident Shareholders.	2
	(2)
Number Of Shares held	595150
	(595150)
Year to which dividend related	2006-07
	(2005-06)

13. Earning Per Share is computed with reference to the following

	2007-08	2006-07
i) Profit after tax (Rs.)	10635275	9989659
ii) Basic & Weighted average number of equity shares	4052130	4052130
iii) Nominal value of equity Shares	10	10
iv) Basic & Diluted EPS	2.62	2.47

14. Segment Accounting :

The company's operation predominantly relate to single segment namely Diamonds and is primary basis for segmental informations. Since the Company operates in a single business, Segmentwise Reporting as defined in AS-17 of ICAI is not applicable.

15. Related Party Disclosures in accordance with AS-18 issued by ICAI :

a) Related Parties & nature of relationship with Associate Companies, Firms, Relatives of Directors

- 1) MKJ Jewellery Pvt. Ltd.
- 2) JRD Gems Pvt. Ltd.
- 3) JRD-MKJ Diamonds Pvt. Ltd.
- 4) International Gems Export (I) Corporation (FIRM)
- 5) Amratlal Pitamberdas Jhaveri (FIRM)
- 6) Mrs. Kantaben Jhaveri
- 7) Mrs. Kokilaben Jhaveri
- 8) Mrs. Kanchanben Jhaveri
- 9) Mrs. Neeta Jhaveri
- 10) Mrs. Jigna Jhaveri

b) Transaction with related Parties :

	2007-08	2006-07
1) MKJ Jewellery Pvt. Ltd.		
SALES	0	0
OUTSTANDING BALANCE AS AT 31st March	0	0
2) Managing Director Remuneration	255327	217097
3) Whole-Time Director's Remuneration {Refer Note No. 6 above for (1) (2)}	188565	101189

16 There are no subsidiary companies to Company. The company has not obtained any economic benefits from its activities with the associate Companies/firms hence provisions of AS-21 issued by I.C.A.I. are not applicable in current year.

17. Deferred Tax :

A The Company has adopted As-22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India.

B The effect of timing difference on account of : Difference between Book Depreciation & Depreciation under Income Tax Act, 1961.

	(Rs.) <u>2007-08</u>	(Rs.) <u>2006-07</u>
Deferred Tax	(59581)	(77453)

18 Figures for previous year have been regrouped to confirm to the current year's classifications and are shown in the brackets.

For ARUN GANATRA & CO.
Chartered Accountants

(A. L. GANATRA)
Proprietor
MEMBERSHIP NO.: 31720
Place : Mumbai,
Dated : 26th August, 2008

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Chairman Managing Director Director
Place : Mumbai,
Dated : 26th August, 2008

**CASH FLOW STATEMENT**

	As At March 31, 2008 (in Rupees)	As at March 31, 2007 (in Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	13,236,378	12,419,559
Adjustments for :		
Depreciation	834,960	880,928
Investments Income	(7,923,381)	(6,948,426)
Interest	7,783	66893
Preliminary Expenses	0	0
Operating Profit before Working Capital Charges	6,155,740	6,418,955
Adjustments for :		
Trade and other receivables	(1,816,112)	(13,451,539)
Inventories	(13,225,556)	(8799743)
Other Current Assets	(6,372)	0
Trade Payable	208,554	(322,571)
Provisions	0	0
Cash generated from operations	(8,683,746)	(16,154,899)
Interest Paid	(7,783)	(66,893)
Direct Taxes Paid	(3,698,974)	(4,702,894)
Income Tax Refund	1,888,995	0
Cash flow before extraordinary items	(10,501,508)	(20,924,686)
Deferred Revenue Expenditure	0	0
Net cash from Operating activities	(A) (10,501,508)	(20,924,686)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(746,560)	(295,392)
Purchase of Investments	(12,890,003)	(11,498,929)
Sale of Fixed Assets	0	0
Sale of Investments	15,388,277	33,620,602
Interest received	1,377,320	1,238,253
Dividend Received	677,177	1,950,114
Speculation Profit	200,313	162,059
Discount	1,145	690
Net Cash used in Investing activities	(B) 4,007,669	25,177,397
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital	0	0
Proceeds from long term borrowings	11,944,806	0
Loans lent (Net of Repayments)	0	0
Dividend Paid	(2,026,065)	(2,026,065)
Tax on Distributed Profit	(344,330)	(284,156)
Net cash used in Financing activities	(C) 9,574,411	(2,310,221)
Net increase in cash and cash equivalents	(A+B+C) 3,080,572	1,942,490
Cash and cash equivalents as at 1st April, 2007	3,685,041	1,742,551
Cash and cash equivalents as at 31st March, 2008	6,765,613	3,685,041

For ARUN GANATRA & CO.
Chartered Accountants

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(Prop. A. L. GANATRA)
MEMBERSHIP NO.: 31720
Place : Mumbai
Dated : 26th August, 2008

Chairman Managing Director Director
Place : Mumbai
Dated : 26th August, 2008

AUDITORS' REPORT

To,
The Board of Directors
ZODIAC-JRD-MKJ LIMITED,
910, Parekh Market, 39, J. S. S. Road, Opera House, Mumbai - 400 004

We have examined the attached Cash Flow Statement of The ZODIAC-JRD-MKJ LIMITED for the year ended **31st March, 2008** The Statement has been prepared by the Company in accordance with the requirements of the listing agreement Clause 32 with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of 26th August, 2008, to the members of the company.

For ARUN GANATRA & CO.
Chartered Accountants
(Prop. A. L. GANATRA)
MEMBERSHIP NO.: 31720

Place : Mumbai
Dated : 26th August, 2008



SCHEDULE

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
FOR THE YEAR ENDED 31ST MARCH, 2008

I. REGISTRATION DETAILS

Registration No :

State Code :

Balance Sheet Date

Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue

Bonus Issue

Right Issue

Private Placement

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

SOURCES OF FUNDS

Total Liabilities

Paid up Capital

Secured Loans

Total Assets

Reserve & Surplus

Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets

Net Current Assets

Investments

Misc. Expenditure

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Accumulated Losses

Turnover (Gross Income)

Profit before tax

Earning per Share After Tax in Rs. (Weighted Average)

Total Expenditure

Profit after tax

Dividend rate %

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Product Description : Item Code No.

i) Diamonds

ii) Gold Jewellery

As per our attached report of even date
For ARUN GANATRA & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(A. L. GANATRA)
Proprietor
MEMBERSHIP NO.: 31720
Place : Mumbai
Date : 26th August, 2008

Chairman Managing Director Director

Place : Mumbai
Date : 26th August, 2008

ZODIAC – JRD – MKJ - LIMITED

Registered Office : 910 Parekh Market, 39, J. S. S. Road, Opera House, Mumbai – 400 004
Registrars : INTIME SPECTRUM REGISTRY LIMITED, C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai – 400 078.

PROXY FORM

FOLIO NO.

I/We _____

of _____ being member(s) of Zodiac – JRD – MKJ - Limited

hereby appoint (1) _____ of _____

or failing (2) _____ of _____

or failing (3) _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on 27th September, 2008 at 10.00 a.m. at Garware Club House, Green Room, D Road, Wankhede Stadium, Churchgate, Mumbai – 400 020

Their respective signatures are as under: As. witness my/our hand(s) this _____ day of _____ 2008

(1) _____

(2) _____

(3) _____

Affix of
Rs. 1/-
Reveue
Stamp

NOTE:

Signature by the said Member(s)

The proxy must be returned so as to each the Registered Office
Of the Company or the office of the Company's Registrars not less
than 48 hours before the commencement of the meeting

ZODIAC – JRD – MKJ - LIMITED

Registered Office: 910 Parekh Market, 39, J. S. S. Road, Opera House, Mumbai – 400 004
Registrars: INTIME SPECTRUM REGISTRY LIMITED, C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai – 400 078.

ATTENDANCE SLIP

FOLIO NO.

I / We hereby record my/our attendance at the Annual General Meeting of the Company being held on 27th September, 2008 at 10.00 a.m. at Garware Club House, Green Room, D Road, Wankhede Stadium, Churchgate, Mumbai – 400 020, and/or at any Adjournment there of

NAME OF THE MEMBER/PROXY (IN BLOCK CAPITALS)

SIGNATURE OF THE MEMBER/PROXY

BOOK - POST
UNDER POSTAL CERTIFICATE

If undelivered, please return to :

INTIME SPECTRUM REGISTRY LTD.

UNIT : Zodiac - JRD - MKJ - Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400 078.