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**ZODIAC - JRD - MKJ LIMITED**

**TWENTYTHIRD ANNUAL REPORT**  
**2009 - 2010**

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## **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 (Expired on 18-01-2010)
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  
HDFC BANK LTD.  
ING VYSYA BANK LTD.

## **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.



NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE MEMBERS OF ZODIAC-JRD-MKJ LIMITED WILL BE HELD ON FRIDAY, 17th SEPT. 2010 AT 10.00 AM. AT THACKERS CATERERS, BIRLA KENDRA RESTAURANT, CHOWPATTY, MUMBAI- 400007 TO TRANSACT THE FOLLOWING BUSINESS.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at **31st March 2010**, Profit and Loss Account for the year ended **31st March 2010** and the Reports of the Directors and Auditors thereon.
2. To Declare a Dividend.
3. To appoint a Director in Place of Mr.Rajnikant Jhaveri , who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in Place of Mr.Jindat K. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To Appoint auditors M/s. Arun Ganatra & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to Section 198,269 read with Schedule XIII , 309,310 and 314 or any other applicable provision of the Companies Act,1956 subject to approval of members, Mr Jayesh Jayantilal Jhaveri be and is hereby re-appointed as Managing Director with effect from 26th September, 2010 for a period of 3 years on such terms and conditions set out in the Agreement dated 26th September, 2010 entered into between the company and Mr. Jayesh Jayantilal Jhaveri a copy of which, initialed by Mr.Jindat K.Mehta Director of the Company for the purpose of identification, is placed before the meeting.

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

"RESOLVED THAT pursuant to Section 198, 269 read with Schedule XIII, 309, 310 and 314 or any other applicable provision of the Companies Act, 1956 & subject to approval of members, Mr Devang Rajnikant Jhaveri be and is hereby reappointed as a Whole-Time Director with effect from 26th September, 2010 for a period of 3 years on such terms and conditions set out in the Agreement dated : 26th September, 2010 entered into between the Company and Mr Devang Rajnikant Jhaveri a copy of which, initialed by the Chairman of the Board for the purpose of identification, is placed before the meeting."

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE 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 Share Transfer Books of the Company will remain closed from Wednesday 8th Sept. 2010 to Friday 17th Sept. 2010 (both days inclusive).
4. Members 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. Members seeking any information on 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 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 Registrar & Share Transfer Agents for duplicate/revalidated Dividend Warrant.

<u>DIVIDEND FOR</u> <u>YEAR ENDED</u>	<u>AMOUNT</u> <u>(RS.)</u>	<u>DUE</u> <u>DATE</u>
31 ST MARCH, 2003	56,640=50	27-09-2010
31 ST MARCH, 2004	95,334=50	27-09-2011
31 ST MARCH, 2005	61,944=00	24-09-2012
31 ST MARCH, 2006	41,739=50	24-09-2013
31 ST MARCH, 2007	73,224=00	24-09-2014
31 ST MARCH, 2008	94,088=00	24-09-2015
31 ST MARCH, 2009	1,65,365=00	29-09-2016

7) The members are requested to immediately notify in their own interest The change in their Address to the Company's Registrars & Transfer Agent

**M/s. Link Intime India Private Limited,**  
C-13, Pannalal Silk Mills Compound,  
1st Floor, Bhandup (west),  
Mumbai 400 078.

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

As required under the Listing Agreement, the particulars of the Director who are proposed to be appointed or re-appointed is furnished below:

i) Item No. 3 of the Notice:  
Name : Mr. Rajnikant Jhaveri  
Age : 67 years  
Qualification : Inter Commerce  
Under Graduate.  
Expertise : Administrative  
Date of Appointment: 3rd April 1992.

ii) Item No. 4 of the Notice :

Name : Mr. Jindat Kalidas Mehta  
Age : 47 years  
Qualification : B.Com, ACA  
Expertise : Administrative  
Date of Appointment: 24th March 2005.

9) Members holding shares in electronic form may please note that their Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend 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 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 dematerialization 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.

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

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

**JAYANTILAL JHAVERI**  
CHAIRMAN

Place : Mumbai  
Date : 10-8-2010

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



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

**ITEM NO: 6**

As per the recommendation of the Remuneration Committee, Mr Jayesh Jayantilal Jhaveri was appointed as Managing Director of the Company w.e.f 26<sup>th</sup> September 2010 at the meeting of the Board of Directors held on 29<sup>th</sup> July 2010 for a period of Three years ,up on the terms and conditions set out in the Agreement dated 26<sup>th</sup> September 2010 entered into between the Company with Mr Jayesh Jayantilal Jhaveri (hereinafter referred to as the 'Agreement')

The remuneration is recommended as fair and complies with terms and conditions specified in Part I and Section II(A) of part II of Schedule XIII to the Companies Act, 1956

An abstract of the terms of the appointment giving details of the remuneration payable and perquisite to be provided to Mr Jayesh Jayantilal Jhaveri are set out below

**1. PERIOD OF APPOINTMENT**

The appointment is for a period of 3 years with effect from 26<sup>th</sup> September 2010 to 25<sup>th</sup> September 2013.

**2. REMUNERATION**

Shri Jayesh Jayantilal Jhaveri will received a remuneration of Rs.30,000 p.m (including perquisite effective from 26<sup>th</sup> September, 2010 as a Managing Director of the Company and the Board of Directors has power to increase the remuneration with consultation with remuneration committee from time to time.

He is also eligible to the following perquisite which shall not be included in the computation of the ceiling limit of remuneration

- a. Contribution to Provident fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
- b. Gratuity payable at a rate not exceeding half month's salary for each completed year of service and
- c. Encashment of leave at the end of tenure.

**MINIMUM REMUNERATION**

Notwithstanding anything contrary herein contained , where in any financial year, during the currency of the tenure of the Managing Director ,the Company has no profits or its profits are inadequate ,the Company will pay remuneration by way of salary and perquisites as specified in Section II(A) of Part II of Schedule XIII to the Companies Act, 1956 as may be amended from time to time.

Your Directors recommend the resolution set out in the Item No 6 of the Notice convening the meeting.

The draft agreement to be entered into between Jayesh Jayantilal Jhaveri and the Company is available for inspection by the members of the Company at its registered office from 11.00 a.m. to 6.00 p.m.

Mr.Jayantilal Jhaveri, Mr. Devang Jhaveri, Mr Rajnikant Chokshi, Mr Champaklal Mehta, Directors of the Company is concerned or interested in the resolution.

This may be treated as abstract of the terms of appointment of Jayesh Jayantilal Jhaveri in terms of Section 302 of the Act

**ITEM NO: 7**

As per the recommendation of the Remuneration Committee, Mr Devang Rajnikant Jhaveri was appointed as Whole Time Director of the Company w.e.f 26<sup>th</sup> September 2010 at the

meeting of the Board of Directors held on 29<sup>th</sup> July 2010 for a period of Three years ,up on the terms and conditions set out in the Agreement dated 26<sup>th</sup> September 2010 entered into between the Company with Mr Devang Rajnikant Jhaveri (hereinafter referred to as the 'Agreement')

The remuneration is recommended as fair and complies with terms and conditions specified in Part I and Section II(A) of part II of Schedule XIII to the Companies Act, 1956

An abstract of the terms of the appointment giving details of the remuneration payable and perquisite to be provided to Mr Devang Rajnikant Jhaveri are set out below

**1. PERIOD OF APPOINTMENT**

The appointment is for a period of 3 years with effect from 26<sup>th</sup> September 2010 to 25<sup>th</sup> September 2013.

**2. REMUNERATION**

Shri Devang Rajnikant Jhaveri will received a remuneration of Rs.25,000 p.m (including perquisite effective from 26<sup>th</sup> September, 2010 as a Whole Time Director of the Company and the Board of Directors has power to increase the remuneration with consultation with remuneration committee from time to time.

He is also eligible to the following perquisite which shall not be included in the computation of the ceiling limit of remuneration

- a. Contribution to Provident fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act ,1961
- b. Gratuity payable at a rate not exceeding half month's salary for each completed year of service and
- c. Encashment of leave at the end of tenure.

**MINIMUM REMUNERATION**

Notwithstanding anything contrary herein contained , where in any financial year, during the currency of the tenure of the Wholetime Director ,the Company has no profits or its profits are inadequate ,the Company will pay remuneration by way of salary and perquisites as specified in Section II(A) of Part II of Schedule XIII to the Companies Act, 1956 as may be amended from time to time.

Your Directors recommend the resolution set out in the Item No 7 of the Notice convening the meeting

The draft agreement to be entered into between Devang Rajnikant Jhaveri and the Company is available for inspection by the members of the Company at its registered office from 11.00 a.m. to 6.00 p.m.

Mr.Jayantilal Jhaveri, Mr. Jayesh Jhaveri, Mr Rajnikant Chokshi, Mr Champaklal Mehta , Directors of the Company is concerned or interested in the resolution.

This may be treated as abstract of the terms of appointment of Devang Rajnikant Jhaveri in terms of Section 302 of the Act

By Order of the Board of Directors  
For ZODIAC-JRD-MKJ LIMITED  
**JAYANTILAL JHAVERI**  
CHAIRMAN

Place : Mumbai  
Dated : 10-08-2010

**Registered Office:**  
910, Parekh Market, 39, J.S.S.Road,  
Opp. Kennedy Bridge, Opera House,  
Mumbai – 400 004.

**Director's Report**

To  
The Members,  
ZODIAC-JRD-MKJ LIMITED

The Directors have pleasure in presenting the 23rd Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended **31st March, 2010.**

**(1) FINANCIAL RESULTS :**

The highlights of the Financial Results are :

	<b>Year ended 31-03-2010 (Rs. In Lakhs)</b>	Year ended 31-03-2009 (Rs. In Lakhs)
TOTAL INCOME	2554.45	1848.55
Net Profit before Depreciation And Interest	206.40	162.07
Less: Depreciation	10.89	10.66
Interest	0.14	0.10
Profit before Tax	195.37	151.31
Add: Deferred Tax	(0.54)	(0.79)
Less: Current Tax	59.76	32.72
Less: Provision for tax	0.00	0.00
Profit after Tax	136.15	119.38
Balance Profit brought forward *	4119.91	3760.61
Prior Period Adjustments	1.37	2.44
Amt. Available for Appropriation	4254.69	3877.55
<b>Less: Appropriation</b>		
Proposed dividend	25.89	38.83
Tax on Distributed Profit	4.40	6.60
Fringe Benefit Tax	0.00	1.26
Balance carried forward to Balance Sheet	4224.40	3830.86
Add: Business Purchase General Reserves of MKJ Jewellery Pvt. Ltd	0.00	289.05
	<u>4224.40</u>	<u>4119.91</u>

\*Including Business Purchase General Reserves of MKJ Jewellery Pvt. Ltd

**2. DIVIDEND :**

The Directors are pleased to recommend a dividend @ 5 % i.e. Rs.0.50 per share for the year ended 31st March,2010.

**3. DIRECTORS:**

In accordance with the provision of the Companies Act ,1956 and the Company's Articles of Association ,Mr. Rajnikant Jhaveri and Mr. Jindat K 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 the being eligible offer themselves for re-appointment.

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

The particulars required under Section 217 (1) (e) of the companies Act, 1956, in respect of conservation of energy & technology absorption are applicable to the company. During the year foreign exchange outgo was Rs. 4.36 Lacs and the foreign Exchange earned during the year was Rs. 2529.23 Lacs. The Net Foreign exchange earned by the Company during the financial year is Rs. 2524.87 Lacs.

**FORM – A****A. POWER AND FUEL CONSUMPTION**

PARTICULARS	<u>2009-2010</u>	<u>2008-2009</u>
<b>1. Electricity Purchased:</b>		
Unit Purchased (Lac KWH)	0.28	0.31
Total Amount (Rs. in Lac)	3.48	3.82
Average Rate/KWH (Rupees)	11.51	12.15
<b>2. LPG Consumed:</b>		
Unit Purchased (Lac KWH)		
Total Amount (Rs. in Lac)	NIL	NIL
Average Rate/KWH (Rupees)		

**B. CONSUMPTION PER UNIT OF PRODUCTION**

PARTICULARS	<u>2009-2010</u>	<u>2008-2009</u>
1. Electricity (KWH)		
CUT & POLISHED DIAMONDS CTS.	1024.41	1591.17
GOLD JEWELLERY CTS.	439.602	1024.560
GMS.	3395.979	3788.514





**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.

**8. DEPOSITORY:**

The company has entered into an agreement with National Depository Services Limited as well Central Depository Services (India) Limited 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, 2010**, the applicable accounting standards had been followed along with standards 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 to give true and fair view of the state of affairs of the Company at the end of the financial year ended **31st March, 2010** 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, 2010** 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)

Place : MUMBAI  
Date : 10-8-2010

**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:

<b>Name of Director</b>	<b>Designation</b>	<b>Other Directorship</b>
Mr. Jayantilal Jhaveri	Chairman	2
Mr. Jayesh Jhaveri	Managing Director	2
Mr. Devang Jhaveri	Director	2
Mr. Rameshchandra Jhaveri	Director	2
Mr. Rajnikant Jhaveri	Director	2
Mr. Rajnikant Chokshi	Director	-
Mr. Jindat K Mehta	Director	7
Mr. Champakalal Mehta	Director	5

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. 7 Board Meetings were held during the period **31st March, 2010** i.e. on 30/04/2009, 05/05/2009, 30/07/2009, 27/08/2009, 29/09/2009, 29/10/2009, 28/01/2010.

Name of Director	No of Board Meetings Held	No of Board Meetings Attend	Attendance at last AGM
Mr. Jayantilal Jhaveri	7	7	Yes
Mr. Jayesh Jhaveri	7	7	Yes
Mr. Devang Jhaveri	7	7	Yes
Mr. Rameshchandra Jhaveri	7	5	No
Mr. Rajnikant Jhaveri	7	7	Yes
Mr. Rajnikant Chokshi	7	7	Yes
Mr. Jindat K Mehta	7	6	Yes
Mr. Champakalal Mehta	7	6	Yes

\* Mr. Rameshchandra Jhaveri expired on dated 18th January 2010.

**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 28-09-2007.

Name	Remuneration (in Rs.)	Perquisites (in Rs.)	Total Remuneration	Terms of Appointment
Mr. Jayesh Jhaveri (Managing Director)	300000	74641	374641	26-09-2007
Mr. Devang R. Jhaveri (Whole- Time Director)	264000	13318	277318	26-09-2007

**PAYMENT OF SITTING FEES TO THE DIRECTOR**

Name of the Director	Sitting Fess paid in Rupees
1. Mr. Jayantilal A.Jhaveri	3500
2. Mr. Rameshchandra A. Jhaveri	2500
3. Mr. Rajnikant A. Jhaveri	3500
4. Mr. Jayesh J. Jhaveri	N.A
5. Mr. Devang R. Jhaveri	N.A
6. Mr. Rajnikant S. Chokshi	6500
7. Mr. Jindat K. Mehta	5500
8. Mr. Champaklal D. Mehta	5500

**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 6 meetings held during the period under review i.e 30/04/2009, 05/05/2009, 30/07/2009, 27/08/2009, 29/10/2009, 28/01/2010. The Attendance of members for the meetings are as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Mr. Rajnikant S. Chokshi	Chairman	6
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, 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 & 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

<b>Name of Director</b>	<b>Designation</b>
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 4 meetings of Shareholders/Investors Grievance Committee were held during the year 2009-2010 on the following dates. 19/06/2009, 09/10/2009, 23/10/2009, 20/11/2009.

(3) The attendance of the Shareholders/Investors Grievance Committee Members are as under

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

(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 : 17th Sept. 2010 at 10.00 a.m  
 \* Venue : Thackers Caterers, Birla Krida Kendra Restaurant, Chowpatty, Mumbai – 400 007.
2. Book Closure Dates : 8th Sept. 2010 to 17th Sept. 2010  
 3. Dividend Payment Date : 5th Oct. 2010  
 4. Registered Office : ZODIAC-JRD-MKJ LIMITED,  
 910, PAREKH MARKET,  
 39J.S.S. ROAD,  
 OPERA HOUSE,  
 MUMBAI – 400 004.
5. Equity Shares Listed : 1. NATIONAL STOCK EXCHANGE OF INDIA LTD.  
 : 2. BOMBAY STOCK EXCHANGE LTD., MUMBAI (CODE NO.512587)
6. Stock Price Data

Period	THE STOCK EXCHANGE MUMBAI (B.S.E)	
	HIGH	LOW
APRIL, 2009	13.55	10.51
MAY, 2009	18.09	12.00
JUNE, 2009	21.55	15.25
JULY, 2009	16.85	13.40
AUGUST, 2009	22.65	15.20
SEPTEMBER, 2009	23.70	19.90
OCTOBER, 2009	26.70	20.25
NOVEMBER, 2009	26.00	22.00
DECEMBER, 2009	25.00	22.00
JANUARY, 2010	27.60	23.30
FEBRUARY, 2010	27.25	23.40
MARCH, 2010	28.10	22.80

Period	NATIONAL STOCK EXCHANGE OF INDIA LTD. (N.S.E.)	
	HIGH	LOW
APRIL, 2009	13.15	11.00
MAY, 2009	17.80	12.10
JUNE, 2009	21.40	15.75
JULY, 2009	17.30	13.55
AUGUST, 2009	23.40	15.00
SEPTEMBER, 2009	23.45	19.85
OCTOBER, 2009	26.50	20.05
NOVEMBER, 2009	26.35	22.50
DECEMBER, 2009	25.25	21.50
JANUARY, 2010	28.00	23.15
FEBRUARY, 2010	26.90	23.25
MARCH, 2010	27.90	23.10



7. Registrar & Transfer Agent : Link Intime India Private Limited,  
(Formerly Known as Intime Spectrum Registry Limited)  
C-13, Pannalal Silk Mills Compound,  
1<sup>st</sup> Floor, L.B.S.Marg, Bhandup (West),  
Mumbai 400 078.

All the Share Transfer Deeds are processed quickly and share certificates are posted within 15 to 20 days from the date of receipt on an average. Incomplete Share Transfer Deeds are returned to transferee with a request to return after rectifying the deficiencies pointed out.

With effect from 31/08/2000 the Company's Equity Sharers are admitted in Dematerialized Form through CDSL & NSDL respectively. The Link Intime India Private Limited has provided to the Company necessary connectivity for the purpose.

8. 2. Distribution of Shareholding as on 31st March, 2010

No. of Equity	SHAREHOLDERS		SHARES	
	Nos	%	Rupess	%
1-5000	4826	92.6651	6201430	11.9784
5001-10000	216	4.1475	1745550	3.3716
10001-20000	84	1.6129	1218960	2.3545
20001-30000	29	0.5568	716480	1.3839
30001-40000	10	0.1920	350560	0.6771
40001-50000	9	0.1728	413130	0.7980
50001-100000	12	0.2304	942190	1.8199
100001 & above	22	0.4224	40183520	77.6166
<b>Total</b>	<b>5208</b>	<b>100</b>	<b>51771820</b>	<b>100</b>

9. Category of Shareholding as on 31st March 2010.

Sr.No	CATEGORY	DEMATED		PHYSICAL		TOTAL
		SHARES	HOLDERS	SHARES	HOLDERS	
1	Other Corporate Bodies	187560	138	4600	18	192160
	Promoter Corporate bodies	0	0	204644	1	204644
2	Clearing Member	22159	21	-	-	22159
3	Directors	1774854	5	398050	5	2172904
4	Foreign Company	1196215	2	300000	1	1496215
5	Mutual Fund	-	-	1000	2	1000
6	Nationalised Banks	500	1	-	-	500
7	Non- Nationalised Banks	-	-	100	1	100
8	NRIs	5462	18	-	-	5462
9	Non Resident (Non Repatriable)	660	3	-	-	660
10	Public	894450	3357	180820	1606	1075270
11	Relatives of Directors	-	-	6100	28	6100
12	Trusts	-	-	8	1	8
	<b>Total</b>	<b>4081860</b>	<b>3545</b>	<b>1095322</b>	<b>1663</b>	<b>5177182</b>



## 10. Financial Release Dates for 2010-11 (Tentative and subject to change)

<u>Quarter</u>	<u>Release Date</u>
1st Quarter ending 30th June, 2010	End of July, 2010
2nd Quarter ending 30th September, 2010	End of October, 2010
3rd Quarter ending 31st December, 2010	End of January, 2011
4th Quarter ending 31st March, 2011	End of April, 2011

V. **OTHER DISCLOSURES:**1. **Details of Annual/ Extra – Ordinary General Meetings**

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

<b>Year</b>	<b>AGM/EGM</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2006-07	AGM	Birla Krida Kendra, Chowpatty, Mumbai	28.09.2007	9.30 a.m
2007-08	AGM	Garware Club House, Green Room, D Road, Wankhede Stadium, Churchgate, Mumbai-400020	27.09.2008	10.00a.m
2007-08	Court Convening Meeting	Garware Club House, Green Room, D Road, Wankhede Stadium, Churchgate, Mumbai-400020	27.09.2008	12.00 p.m
2008-2009	AGM	Thackers Caterers, Birla Krida Kendra Restaurant, Chowpatty, Mumbai-400007	29.09.2009	10.00 a.m

2. **MEANS OF COMMUNICATION:**

- Company is publishing results in National & Regional Newspapers.
- Management Discussion & Analysis is part of Annual Report 2009-10.
- Company has paid the Annual Listing Fess to N.S.E and B.S.E

3. **OTHER DISCLOSURE:**

- There were no materially significant related party transactions with the promoters, Directors etc that may have potentially 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 relationships or transactions of Non- Executive Directors vis-à-vis the Company.
- A list transactions with related parties as per Accounting Standard (AS) -18 mentioned in Schedule 16 (15) in the Notes of Account 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. 1772.99 Lacs to Rs.2520.78 Lacs, Other Income decreased from Rs.75.56 Lacs to Rs. 33.67 Lacs. Company's Net profit before extra ordinary items increase by 16.51 % from Rs.115.68 Lacs to Rs. 134.78 Lacs. Earning per share increased from Rs. 2.23 to Rs. 2.60



**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 31,2010** 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  
Membership No. 031720  
Place : Mumbai  
Date : 10-8-2010



## 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, 2010** 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, 2010** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March, 2010** 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, 2010** 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**

Place : Mumbai  
Dated : 10-8-2010

(A. L. GANATRA)  
Proprietor  
Membership No. 031720





## 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, 2010 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**

Place : Mumbai  
Dated : 10-8-2010

(A. L. GANATRA)  
Proprietor  
Membership No. 031720

**BALANCE SHEET AS AT 31ST MARCH 2010**

	SCHEDULE NO	31ST MARCH, 2010		31ST MARCH, 2009
		RUPEES	RUPEES	RUPEES
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUND</b>				
Capital	1		51,771,820	51,771,820
Reserves and Surplus	2		499,218,203	488,768,488
LOAN FUNDS	3		-	-
<b>TOTAL</b>			<b>550,990,023</b>	<b>540,540,308</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	4	21,766,824		21,666,439
Less: Depreciation		11,997,799		10,909,125
Net Block			9,769,025	10,757,314
INVESTMENTS	5		92,830,323	98,710,125
<b>WORKING CAPITAL</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	6	422,869,229		381,753,843
Sundry Debtors	7	7,620,563		26,542,254
Cash and Bank Balances	8	1,672,075		4,010,235
Other Current Assets	9	1,670,615		1,146,598
Loans and Advances	10	31,924,454		33,817,796
	(i)	465,756,936		447,270,726
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>				
Sundry Creditors	11	1,428,033		484,077
Provisions	12	15,966,229		15,769,780
	(ii)	17,394,262		16,253,857
NET CURRENT ASSETS	(i-ii)		448,362,674	431,016,869
Share Issue Expenses (To the extent not written off/adjusted)			28,000	56,000
			<b>550,990,023</b>	<b>540,540,308</b>
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  
Place : Mumbai,  
Date : 10-8-2010Place : Mumbai,  
Date : 10-8-2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<b>SCHEDULE NO</b>	<b>31ST MARCH, 2010 RUPEES</b>	<b>31ST MARCH, 2009 RUPEES</b>
<b>INCOME</b>			
Sales		<b>252,077,964</b>	177,299,116
Other Income	<b>13</b>	<b>3,366,743</b>	<u>7,555,950</u>
		<b>255,444,707</b>	<u>184,855,066</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in stocks	<b>14</b>	<b>(42,720,989)</b>	(28,387,144)
Manufacturing and other expenses	<b>15</b>	<b>277,525,604</b>	197,035,231
Interest		<b>14,052</b>	9,810
Depreciation		<b>1,088,674</b>	<u>1,066,268</u>
		<b>235,907,341</b>	<u>169,724,165</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>19,537,367</b>	15,130,901
Current Tax		<b>5,976,480</b>	3,271,929
Deffered Tax		<b>(54,272)</b>	(79,225)
Fringe Benefit Tax		<b>0</b>	<u>126,460</u>
<b>PROFIT/(LOSS) AFTER TAX FOR THE YEAR</b>		<b>13,615,158</b>	11,811,737
Balance profit/(Loss) brought forward		<b>383,086,214</b>	<u>376,061,277</u>
		<b>396,701,372</b>	<u>387,873,014</u>
Tax Adjustments of previous year		<b>(136,921)</b>	(244,016)
<b>PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION</b>		<b>396,564,451</b>	<u>387,628,998</u>
<b>APPROPRIATIONS</b>			
Tax on Distributed Profit		<b>439,931</b>	659,897
Proposed Dividend		<b>2,588,591</b>	<u>3,882,887</u>
		<b>3,028,522</b>	<u>4,542,784</u>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>393,535,929</b>	<u>383,086,214</u>
<b>NOTES TO THE ACCOUNTS</b>	<b>16</b>		

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  
Place : Mumbai,  
Date : 10-8-2010Place : Mumbai,  
Date : 10-8-2010



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

<b>SCHEDULE 1 SHARE CAPITAL</b>	<b>31ST MARCH, 2010 RUPEES</b>	<b>31ST MARCH, 2009 RUPEES</b>
<b>Authorised</b>		
1,10,00,000 Equity Shares of Rs. 10 Each	<b>110,000,000</b>	110,000,000
(1,10,00,000 Equity Shares of Rs. 10 Each)		
Issued subscribed and paid up	<b>51,771,820</b>	51,771,820
5,177,182 Equity Shares of Rs. 10 each(*)		
(5,177,182 Equity Shares of Rs. 10 each)		
<b>TOTAL</b>	<b>51,771,820</b>	51,771,820

**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 and 1125052 shares issued as per amalgamation on 26-03-2009

<b>SCHEDULE 2 RESERVES AND SURPLUS</b>	<b>31ST MARCH, 2010 RUPEES</b>	<b>31ST MARCH, 2009 RUPEES</b>
<b>General Reserve</b>		
Balance brought forward	<b>39,277,332</b>	39,277,332
Including Rs. 32559632 on compliance scheme of Amalgamation dated 23-01-2009		
<b>Share Premium</b>		
Balance brought forward	<b>37,500,000</b>	37,500,000
<b>Balance on Profit and Loss Account</b>	<b>422,440,871</b>	411,991,156
(Including Business Purchase General Reserve Rs. 28904942 under scheme of amalgamation)		
	<b>499,218,203</b>	488,768,488

**SCHEDULE 3  
UNSECURED LOANS : SCHEDULE 3**

other loans and advances :

From Directors	<b>0</b>	0
From Inter Corporate	<b>0</b>	0
	<b>0</b>	0

**SCHEDULE 4  
FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2009 (Rs.)	ADDITIONS (Rs.)	DEDUCTION (Rs.)	AS AT 31/03/2010 (Rs.)	AS AT 01/04/2009 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTION (Rs.)	AS AT 31/03/2010 (Rs.)	AS AT 31/03/2009 (Rs.)	AS AT 31/03/2010 (Rs.)
OFFICE PREMISES	3641250	0	0	3641250	923005	59352	0	982357	2718245	2658893
FACTORY PREMISES	1076413	0	0	1076413	534096	35952	0	570048	542317	506365
PLANT & MACHINERY	8415944	25778	0	8441722	4413021	431684	0	4844705	4002923	3597017
<b>OFFICE EQUIPMENT</b>										
COMPUTER	1284081	47659	0	1331740	1092043	85588	0	1177631	192038	154109
OTHER EQUIPMENT	1332739	10300	0	1343039	362265	90326	0	452591	970474	890448
FURNITURE & FIXTURE	935509	16648	0	952157	548762	48163	0	596925	386747	355232
VEHICLES	4980503	0	0	4980503	3035933	337609	0	3373542	1944570	1606961
<b>TOTAL</b>	<b>21666439</b>	<b>100385</b>	<b>0</b>	<b>21766824</b>	<b>10909125</b>	<b>1088674</b>	<b>0</b>	<b>11997799</b>	<b>10757314</b>	<b>9769025</b>
PREVIOUS YEAR FIGURES (RS.)	18852647	2813792	0	21666439	9842857	1066268	0	10909125	9009790	10757314

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010****SCHEDULE 5****INVESTMENTS (Non trade) :****Long-Term Investments (At Cost)****(A) QUOTED**

	31ST MARCH, 2010		31ST MARCH, 2009	
	UNITS	RUPEES	UNITS	RUPEES
Hico Product Limited	500	16,875	500	16,875
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.	14940(*)	24,609,293	3220	8,831,564
TCS limited	0	0	25	29,683
Infosys Limited	0	0	60	116,503
S.M.Dychem Limited	5300	43,930	5300	43,930
Reliance Communication Venture Limited	3700	2,129,495	3700	2,129,495
Reliance Natural Resource Ltd.	22650	4,594,840	22650	4,594,840
Cipla Limited	0	0	260	70,137
Pfizer Limited	0	0	200	216,726
Reliance Petroleum limited	0	0	67850	15,756,509
Tech Mahindra Limited	825	1,369,360	825	1,369,360
Mahendra Gesco Corporation Limited	50	58,748	50	58,748
RELIANCE POWER LIMITED	80(***)	21,492	50	21,492
Unitech Limited	7650	1,677,899	7650	1,677,899
Larsen & Turbo Ltd.	0	0	80	131,513
Idea Limited	1500	189,559	1500	189,559
Hindustan Construction Limited	100	26,125	100	26,125
Zylog Systems Limited	250	121,368	250	121,368
Powergrid Corporation of India Limited	1300	149,745	5300	656,642
Astrazen Pharma Limited	0	0	25	20,295
Indian Hotel Co. Ltd.	246	34,719	246	34,719
DLF Limited	125	110,424	125	110,424
Areva Limited	225	137,787	225	137,787
ITC Limited	0	0	1000	218,405
GMR Infra Limited	2100(**)	257,705	1050	257,705
Bharat Heavy Electric Limited	100	262,397	100	262,397
Kotak Bank Limited	400	526,405	400	526,405
GTL Infra Ltd.	400	36,128	400	36,128
Reliance Infrastructure Ltd.	50	126,444	50	126,444
Religare Enterprises Ltd.	100	70,963	100	70,963
Mundra Port and Special Economic Zone Ltd	250	319,826	250	319,826
NTPC Limited	0	0	45	9,644
Punj Lloyed Ltd	50	21,141	50	21,141
Persistent Systems Ltd	284	88,040	0	0

**TOTAL****(A) 37,020,222****38,230,763****(B) UNQUOTED**

ISPAT Limited Preference Share	1960	60,596	1960	60,596
CCPS- TATA STEEL LTD.	0	0	131	13,100

**TOTAL****(B) 60,596****73,696**

(\*) INCLUDING 7470 BONUS SHARES ALLOTTED ON 05-12-2009

(\*\*) FACE VALUE CHANGE FROM Rs.10 to Rs. 2

(\*\*\*) INCLUDING 30 BONUS SHARES ALLOTTED ON 14-06-2008

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

<b>(C) OTHER INVESTMENTS</b>	<b>31ST MARCH, 2010</b>	<b>31ST MARCH, 2009</b>
	<b>RUPEES</b>	<b>RUPEES</b>
LIC INCOME PLUS A/C. No. 5101071061	0	10,035,099
HDFC CASH MGT FUND A/C. NO. 328458/49	1,035,092	5,406,035
BIRLA SUN LIFE LIQ PLUS A/C. NO. 1009844419	0	8,032,561
RELIANCE MEDIUM TERM FUND A/C. NO. 4042674813	0	8,012,783
TATA FLOATER FUND A/C. NO. 222334/67	9,000,000	5,106,271
SBNPP ULTRA ST FUND A/C. NO. 127127/23	0	7,214,917
FORTIS FTF SER 16 B A/C. NO. 339581	3,625,920	0
KOTAK FLOATER LONG TERM A/C NO. 1654120/63	3,803,634	0
KOTAK FMP 13 M SER A/C NO. 1654120/63	4,000,000	0
KOTAK FMP 18 M SER-2 A/C. NO. 1717847/69	2,000,000	0
KOTAK QUARTERLY INTERVAL PLAN SER-3 A/C NO. 1654120/63	2,500,000	0
LICMF QUARTERLY INTERVAL FUND SER-2 A/C. NO. 5101071061	2,500,000	0
LICMF SAVING PLUS FUND A/C. NO. 5101071061	12,435,218	0
RELIANCE F/D HOR XIII SER-4 A/C NO. 4042674813	10,000,000	0
RELIANCE MONEY MANAGER FUND A/C NO. 4042674813	649,642	0
SBNPP INTERVAL FUND (Q) A/C. NO. 127127/23	2,200,000	0
TEMPLETON INDIA NCOME OPP FUND A/C. NO. 14134556	2,000,000	0
<b>TOTAL (C)</b>	<b>55,749,506</b>	<b>43,807,666</b>
<b>BOND :</b>		
ARS 6.60% BONDS (UTI) (D)	0	16,598,000
<b>Total Investment ( A + B + C + D )</b>	<b>92,830,323</b>	<b>98,710,125</b>

The aggregate market value of the quoted investments i.e. Equity Shares as on 31st March, 2010 was Rs. 20950418 (Rs. 15384420)

**CURRENT ASSETS LOANS AND ADVANCES :**

	<b>31ST MARCH, 2010</b>	<b>31ST MARCH, 2009</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>SCHEDULE - 6</b>		
<b>INVENTORIES</b> (As valued & certified by Managing Director)		
Raw Silver	106,019	106,019
Rough Diamonds	35,250,358	37,303,477
Cut & Polished Diamonds	369,513,326	335,595,368
Precious & Semi Precious Stones	1,960,355	2,033,222
Gold	2,548,673	1,994,561
Pearl	383,550	383,550
Silver alloy	864,155	970,751
Gold Jewellery (Finished)	12,242,793	3,366,895
	<b>422,869,229</b>	<b>381,753,843</b>
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS :</b>		
Sundry debtors (unsecured & considered good as certified by managing director)		
Other debts (all due for less than 180 days)	7,620,563	26,542,254
	<b>7,620,563</b>	<b>26,542,254</b>
<b>SCHEDULE - 8</b>		
<b>CASH AND BANK BALANCE :</b>		
Cash on hand (As certified by Managing Director)	68,289	61,286
Balance with scheduled banks In current accounts	1,603,786	3,948,949
	<b>1,672,075</b>	<b>4,010,235</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

**31ST MARCH, 2010**      **31ST MARCH, 2009**  
**RUPEES**                      **RUPEES**

**SCHEDULE - 9****OTHER CURRENT ASSETS :****Deposits :**

With Banks	<b>1,524,017</b>	1,000,000
With Others	<b>146,598</b>	146,598
	<b>1,670,615</b>	<b>1,146,598</b>

**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	1,241,402	1,298,651
Capital advances	17,027,423	16,961,800
Taxes paid	13,601,358	15,478,120
Deferred Tax Asset {Refer Sch. No. 15 (18) }	54,272	79,225
	<b>31,924,454</b>	<b>79,225</b>
	<b>31,924,454</b>	<b>33,817,796</b>

**CURRENT LIABILITIES & PROVISIONS****SCHEDULE - 11****CURRENT LIABILITIES**

Sundry creditors	<b>1,051,227</b>	187,085
Other liabilities	<b>376,806</b>	296,992
	<b>1,428,033</b>	<b>484,077</b>

**SCHEDULE - 12****PROVISIONS**

Provision for tax	<b>0</b>	0
Proposed Dividend	<b>2,588,591</b>	3,882,887
Tax on distributed Profit	<b>439,931</b>	659,897
Current Tax	<b>12,937,707</b>	11,226,996
	<b>15,966,229</b>	<b>15,769,780</b>

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2010**

<b>SCHEDULE - 13</b>	<b>31ST MARCH, 2010 RUPEES</b>	<b>31ST MARCH, 2009 RUPEES</b>
<b>OTHER INCOME</b>		
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	50
Interest on Bank Deposit (TDS.Rs.12448.48) (Pre. Year Rs.19271.00)	97,383	85,000
Dividend (T.D.S.Rs.0) (Previous Year Rs. 0)	2,128,242	3,837,753
Incentive (T.D.S.Rs. 0 ) (Previous Year Rs. 0)	0	0
Profit on Sale of Shares/Mutual Fund	41,356	2,490,670
Discount	2,538	708
Speculation Profit	7,578	20,763
Sundry Creditor W/off	50,100	0
Interest on ARS Bonds	547,734	1,095,468
Interest on I.Tax Refund	491,813	25,538
	<b>3,366,743</b>	<b>7,555,950</b>
<b>SCHEDULE - 14</b>		
<b>(INCREASE) / DECREASE IN STOCKS</b>		
Opening Stock		
Cut & Polished Diamonds, Precious & Semi Precious Stones & Gold Jewellery Finished	340,995,485	312,608,341
Closing Stock		
Cut & Polished Diamonds	369,513,326	335,595,368
Precious & Semi Precious Stones	1,960,355	2,033,222
Gold Jewellery (Finished)	12,242,793	3,366,895
<b>(INCREASE) / DECREASE IN STOCKS</b>	<b>(42,720,989)</b>	<b>(28,387,144)</b>



## SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

<b>SCHEDULE - 15</b>	<u>31ST MARCH, 2010</u>		<u>31ST MARCH, 2009</u>	
	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>
<b>MANUFACTURING AND OTHER EXPENSES :</b>				
Purchase of Cut & Polished Diamonds (Including Exchange Difference and Import Expenses)		<b>243,632,405</b>		142,728,294
Purchase of Precious & Semi Precious Stone (Including Exchange Difference and Import Expenses)		<b>0</b>		623,006
Purchase of Gold Jewellery (Including Exchange Difference and Import Expenses)		<b>0</b>		4,042,860
<b>Raw Material Consumed (Diamonds)</b>				
Opening Stock	<b>37,303,477</b>		32,860,513	
Purchases	<b>11,177,262</b>		24,802,932	
	<b>48,480,739</b>		57,663,445	
Less : Closing Stock	<b>35,250,358</b>		37,303,477	
	<b>(a) 13,230,381</b>		20,359,968	
<b>Raw Silver</b>				
Opening Stock	106,019		83645	
Purchases	-		26223	
Import Expenses	-		11	
	106,019		109879	
Less : Closing Stock	106,019		106019	
	<b>(b) -</b>		3860	
<b>Raw Gold</b>				
Opening Stock	1,994,561		3,326,098	
Purchases	7,309,132		4,063,007	
Import Exchange Difference	(1,307)		208,100	
Import Expenses	23,605		121,296	
	9,325,991		7,718,501	
Less : Closing Stock	2,548,673		1,994,561	
	<b>(c) 6,777,318</b>		5,723,940	
<b>Raw pearl</b>				
Opening Stock	383,550		364,488	
Purchases	-		19,062	
	383,550		383,550	
Less : Closing Stock	383,550		383,550	
	<b>(d) -</b>		-	
<b>Raw silver alloy</b>				
Opening Stock	970,751		414,965	
Purchases	330,250		1,475,058	
	1,301,001		1,890,023	
Less : Closing Stock	864,155		970,751	
	<b>(e) 436,846</b>		919,272	
	<b>(a+b+c+d+e) 20,444,545</b>		27,007,040	



	31ST MARCH, 2010		31ST MARCH, 2009	
	RUPEES	RUPEES	RUPEES	RUPEES
Labour Charges		<b>6,124,289</b>		13,438,780
Consumable Stores & Tools		<b>387,184</b>		70,625
Rent, Rates & Taxes		<b>481,285</b>		396,196
Repairing to other Assets		<b>35,779</b>		59,923
Managerial Remuneration		<b>651,959</b>		671,294
Director's Sitting Fees		<b>27,000</b>		27,000
<u>Salaries, Bonus &amp; other employees' benefits :</u>				
Salary, Wages and Bonus	664,000		756461	
Contribution to Provident & other Funds	<u>208,558</u>	<b>872,558</b>	<u>114806</u>	871,267
Miscellaneous expenses		<b>3,042,951</b>		3,728,158
Insurance		<b>169,386</b>		174,291
Electricity		<b>347,479</b>		414,601
Brokerage/Commission		<b>209,815</b>		73,748
Donation		<b>200,000</b>		150,000
Auditors Remuneration		<b>35,000</b>		72,000
Factory Rent		<b>120,000</b>		48,000
Director's foreign travelling expenses		<b>293,838</b>		1,845,475
Bank Charges		<b>337,807</b>		440,431
Stock Exchange Listing Fees		<b>84,324</b>		124,242
Shares issue/preliminary Expenses written off		<b>28,000</b>		28,000
		<u><b>277,525,604</b></u>		<u>197,035,231</u>

## **SCHEDULE FORMING PART OF THE ACCOUNTS** **FOR THE YEAR ENDED 31ST MARCH 2010**

### **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

	<b>2009-10</b>	<b>2008-09</b>
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 in Gold Jewellery	At Average Cost Of Purchases	At Average Cost Of Purchases
v) Diamond studded in Gold Jewellery	At Average Cost Of Purchases	At Average Cost Of Purchases
vi) Precious & Semi precious stones	At Average Cost Of Purchases	At Average Cost Of Purchases
vii) Silver alloy	At Average Cost Of Purchases	At Average Cost Of Purchases
viii) 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 :
- a) Income Tax Assessment orders have been received upto A.Y : **2007-08** 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	LICENSED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION
Cut & Polished Diamonds	CARATS	N.A	N.A	<b>1024.41</b>
		(N.A)	(N.A)	(1591.17)
Gold Jewellery	CARATS	N.A	N.A	<b>439.602</b>
	grams			<b>3395.979</b>
	CARATS			(1024.56)
	grams	(N.A)	(N.A)	(3788.514)

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	<b>33906.54</b>	<b>335595368</b>	<b>22310.64</b>	<b>369513326</b>	<b>60405.21</b>	(*) <b>244868998</b>
		(31667.42)	(310524609)	(33906.54)	(335595368)	(14365.42)	*(151338205)
Gold Jewellery (Finished)	Cts	<b>263.42</b>	<b>3366895</b>	<b>541.496</b>	<b>12242793</b>	<b>161.63</b>	(**) <b>6666428</b>
	Gmrs	<b>1221.090</b>	<b>0</b>	<b>2117.127</b>	<b>1278.852</b>	<b>1278.852</b>	(**) <b>6666428</b>
	Cts	(47.160)	(582869)	(263.420)	(3366895)	(901.940)	** (25678989)
	Gmrs	(90.893)	(582869)	(1221.090)	(3366895)	(2658.317)	** (25678989)
Precious & Semi Precious Stones	Carats	<b>6686.14</b>	<b>2033222</b>	<b>6446.52</b>	<b>1960355</b>	<b>239.620</b>	*** <b>542538</b>
		(6235.05)	(1500863)	(6686.14)	(2033222)	(272.540)	(193135)

(\*) Export of Polished Diamonds includes Export Exchange Difference of Rs. **967102** (Rs.9114795)

(\*\*) Export of Jewellery includes Export Exchange Difference of Rs. **-702910** (Rs.2525372)

(\*\*\*) Export of Precious & Semi-Precious includes Export Exchange Difference of Rs. **-4851** (NIL)

c) **DETAILS OF FINISHED GOODS PURCHASED**

	UNITS	2009-10		2008-09	
		QUANTITY	RS.	QUANTITY	RS.
Cut & Polished Diamonds	Carats	<b>48224.61</b>	<b>243632405</b>	16037.93	142728294
Semi Precious	Carats	<b>0.00</b>	<b>0</b>	723.63	623006
Gold Jewellery	Carats	<b>0.00</b>	<b>0</b>	93.64	4042860

Import of Polished Diamonds includes Import Exchange Difference +Import expenses Rs. **0** (Rs.10306)

Import of Semi-Precious includes Import Exchange Difference +Import expenses Rs. **0** (Rs.7769)

Import of Gold jewellery includes Import Exchange Difference +Import expenses Rs. **0** (Rs.-18681)

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

	UNITS	OPENING STOCK		PURCHASE		TURNOVER		CLOSING STOCK	
		QUANTITY	RS.	QUANTITY	RS.	QUANTITY	RS.	QUANTITY	RS.
Rough Diamonds	Carats	<b>9522.52</b>	<b>37303477</b>	<b>2480.38</b>	<b>11177262</b>	<b>0.00</b>	<b>0</b>	<b>8702.64</b>	<b>35250358</b>
		(8713.32)	(32860513)	(6008.54)	(24802932)	**** (198.80)	(83656.00)	(9522.52)	(37303477)
Raw Gold	Gms	<b>1751.391</b>	<b>1994561</b>	<b>4510.147</b>	<b>*7331430</b>	<b>0</b>	<b>0</b>	<b>1715.299</b>	<b>2548673</b>
		(3332.909)	(3326098)	(3155.344)	(4392403)	(0)	(0)	(1751.391)	(1994561)
Pearl	Carats	<b>4518.300</b>	<b>383550</b>	<b>0</b>	<b>**0</b>	<b>0</b>	<b>0</b>	<b>4518.300</b>	<b>383550</b>
		(3114.65)	(364488)	(1403.650)	(19062)	(0)	(0)	(4518.300)	(383550)
Raw Silver Alloy	Gms	<b>19428.065</b>	<b>970751</b>	<b>2000.000</b>	<b>330250</b>	<b>0</b>	<b>0</b>	<b>14233.025</b>	<b>864155</b>
		(3586.718)	(414965)	(34239.126)	(1475058)	(0)	(0)	(19428.065)	(970751)
Raw Silver	Carats	<b>10534.78</b>	<b>106019</b>	<b>0.000</b>	<b>***0</b>	<b>(0)</b>	<b>0</b>	<b>10534.780</b>	<b>106019</b>
		(10896.20)	(83645)	(21.080)	(26234)	(382.500)	(4931)	(10534.780)	(106019)

(\*) PURCHASES GOLD INCLUDES IMPORT EXCHANGE DIFFERENCE +IMPORT EXPENSES OF RS. **22298** (329396)

(\*\*) PURCHASES PEARL INCLUDES IMPORT EXCHANGE DIFFERENCE +IMPORT EXPENSES OF RS. **NIL** (NIL)

(\*\*\*) PURCHASES SILVER INCLUDES IMPORT EXCHANGE DIFFERENCE +IMPORT EXPENSES OF RS. **0** (11)

(\*\*\*\*) EXPORT OF ROUGH DIAMOND INCLUDES EXPORT EXCHANGE DIFFERENCE OF RS. **0** (-359)

e) **DETAILS OF RAW MATERIAL CONSUMED**

	UNITS	QUANTITY	RS.
Rough Diamonds	Carats	<b>3300.26</b>	<b>13230381</b>
		(5000.54)	(20359968)
Raw Gold	Gms	<b>4546.239</b>	<b>6777318</b>
		(4736.862)	(5723940)
Raw Silver alloy	Gms	<b>7195.040</b>	<b>436846</b>
		(18397.779)	(919272)
Raw Pearl	Carats	<b>0</b>	<b>0</b>
		0	0
Raw Silver	Gms	<b>0</b>	<b>0</b>
		(382.500)	(3860)



## f) Imported &amp; Indigenous Consumption

	RUPEES		% OF TOTAL CONSUMPTION	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
<b>Raw Materials Imported</b>				
Rough Diamonds	0	0	0	0.00
Raw Gold	142,018	1,202,121	2.10	21.00
Raw Silver alloy	0	0	0	0.00
Raw Pearl	0	0	0	0.00
Raw Silver	0	0	0	0.00
<b>Indigenous</b>				
Rough Diamonds	13,230,381	20,359,968	100.00	100.00
Raw Gold	6,635,300	4,521,819	97.90	79.00
Raw Silver alloy	436,846	919,272	100.00	100.00
Raw Pearl	0	0	0.00	0.00
Raw Silver	0	3,860	100.00	0.00
<b>Total</b>				
Rough Diamonds	13,230,381	20,359,968	100.00	100.00
Raw Gold	6,777,318	5,723,940	100.00	100.00
Raw Silver alloy	436,846	919,272	100.00	100.00
Raw Pearl	0	0	0.00	100.00
Raw Silver	0	3,860	0.00	100.00

## 6. MANAGERIAL REMUNERATION

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

	2009-10 Rs.	2008-09 Rs.
<b>1) To the Managing Director</b>		
Salary & Allowances	300000	300000
Reimbursement of Mediclaim Premium	74641	65462
Total	374641	365462
<b>2) To the Whole time Director</b>		
Salary & Allowances	264000	264000
Reimbursement of Mediclaim Premium	13318	41832
Total	277318	305832

Managerial Remuneration of Rs. 651959 (Previous year Rs. 671294)

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

	2009-10 (Rs.)	2008-09 (Rs.)
Audit fees	25000	25000
Tax audit fee	7000	7000
Certification fee	3000	3000
Total (Rs.)	35000	35000

## 8. DETAILS OF INTEREST

	2009-10 (Rs.)	2008-09 (Rs.)
Paid to Bank	0	0
Paid to others	14,052	9,810

## 9. CIF Value of imports :

	2009-10 (Rs.)	2008-09 (Rs.)
<b>RAW GOLD</b>		
Raw material (Rs.)	142,018	1,202,121
<b>RAW PEARL</b>		
Raw Pearl	0	0
<b>Precious &amp; Semi precious Cut &amp; Polished diamonds</b>	0	623,006
	0	208,365

(\*) PURCHASES GOLD INCLUDES IMPORT EXCHANGE DIFFERENCE +IMPORT EXPENSES OF RS.22298 (329396)

(\*\*) PURCHASES PEARL INCLUDES IMPORT EXCHANGE DIFFERENCE +IMPORT EXPENSES OF RS. NIL (NIL)

(\*\*\*) PURCHASES PRECIOUS & SEMI PRECIOUS INCLUDES IMPORT EXCHANGE DIFFERENCE +IMPORT EXPENSES OF RS. 0 ( 7769)

(\*\*\*\*) PURCHASES CUT & POLISHED DIAMONDS INCLUDES IMPORT EXCHANGE DIFFERENCE +IMPORT EXPENSES OF RS. 0 ( 10306)

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

	2009-10 (Rs.)	2008-09 (Rs.)
(A) Foreign Travelling	293,838	1,814,219
(B) Foreign Membership & other Fees	0	0
(C) Foreign Advertisement Expenses	0	0

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

	2009-10 (Rs.)	2008-09 (Rs.)
FOB value of Exports	252923067	171573043

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

Number of Non-Resident Shareholders.	<b>2</b>
	(2)
Number Of Shares held	<b>1496215</b>
	(595150)
Year to which dividend related	<b>2008-09</b>
	(2007-08)

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

	<b>2009-10</b>	2008-09
i) Profit after tax (Rs.)	<b>13,478,237</b>	11,567,721
ii) Basic & Weighted average number of equity shares	<b>5177182</b>	5177182
iii) Nominal value of equity Shares	<b>10</b>	10
iv) Basic & Diluted EPS	<b>2.60</b>	2.23

**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) JRD Gems Pvt. Ltd.
  - 2) JRD-MKJ Diamonds Pvt. Ltd.
  - 3) International Gems Export (I) Corporation (FIRM)

**b) Transaction with related Parties :**

	<b>2009-10</b>	2008-09
1) Managing Director Remuneration	<b>374641</b>	365462
2) Whole-Time Director's Remuneration	<b>277318</b>	305832
{Refer Note No. 6 above for (1) (2)}	<b>651959</b>	671294

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.

	<b>(Rs.)</b>	<b>(Rs.)</b>
	<b>2009-10</b>	2008-09
Deferred Tax	(54272)	(79225)

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 : 10-8-2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Chairman                      Managing Director                      Director

Place : Mumbai,  
Dated : 10-8-2010



**CASH FLOW STATEMENT**

	<b>As At March 31, 2010 (in Rupees)</b>	<b>As at March 31, 2009 (in Rupees)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	19,537,367	15,130,901
Adjustments for :		
Export Exchange Difference	(259,341)	(11,639,808)
Import Exchange Difference	(1,307)	189,419
Discount	(2,538)	(708)
Sundry Credit Balances Written Back	(50,100)	0
Donation	200,000	150,000
Depreciation	1,088,674	1,066,268
Interest	14,052	9,810
Share Issue Expenses	28,000	28,000
Investments Income	(2,724,909)	(7,444,704)
Investment Expenses	9,688	28,997
Income Tax Refund Interest	(491,813)	(25,538)
Advertisement Expenses in Merger	0	60,468
Operating Profit before Working Capital Charges	17,347,772	(2,446,895)
Adjustments for :		
Trade receivables	19,181,032	20,608,087
Other receivables	(8,374)	(381,208)
Inventories	(41,115,386)	(32,095,793)
Other Current Assets	(524,017)	(9,265)
Trade Payable	849,689	(1,212,172)
Provisions	0	0
<b>Cash generated from operations</b>	<b>(4,269,283)</b>	<b>(15,537,246)</b>
Interest Paid	(14,052)	(9,810)
Donation	(200,000)	(150,000)
Direct Taxes Paid	(5,430,408)	(3,695,235)
Incometax Refund	2,984,001	0
Incometax Refund Interest	491,813	25,538
<b>Cash flow before extraordinary items</b>	<b>(6,437,929)</b>	<b>(19,366,753)</b>
Deferred Revenue Expenditure	0	0
<b>Net cash from Operating activities</b>	<b>(A) (6,437,929)</b>	<b>(19,366,753)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(100,385)	(2,813,792)
Purchase of Investments/Sale of Investments	5,879,802	(45,346,600)
Creditors for Investment	148,212	18,883
Capital Gains	41,356	2,490,670
Interest received	547,734	1,095,518
Dividend Received	2,128,242	3,837,753
Speculation Profit	7,578	20,763
Investment Expenses	(9,688)	(28,996)
<b>Net Cash used in Investing activities</b>	<b>(B) 8,642,850</b>	<b>(40,725,802)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of share capital	0	11,250,520
Changes in General Reserve	0	32,559,632
Changes in Profit & Loss A/c.	0	28,871,668
Changes in Provision	0	2,805,687
Changes in Taxes paid	0	(3,690,662)
Deferred Revenue Expenditure	0	(144,468)
Proceeds fro long term borrowings	0	(11,944,806)
Loans lent (Net of Repayments)	0	0
Dividend Paid	(3,883,183)	(2,026,065)
Tax on Distributed Profit	(659,897)	(344,330)
<b>Net cash used in Financing activities</b>	<b>(C) (4,543,080)</b>	<b>57,337,176</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) (2,338,160)</b>	<b>(2,755,378)</b>
<b>Cash and cash equivalents as at 1st April, 2009/2008</b>	<b>4,010,235</b>	<b>6,765,613</b>
<b>Cash and cash equivalents as at 31st March, 2010/2009</b>	<b>1,672,075</b>	<b>4,010,235</b>

For ARUN GANATRA & CO.  
Chartered Accountants

(Prop. A. L. GANATRA)  
MEMBERSHIP NO.: 31720  
Place : Mumbai  
Dated : 10-8-2010

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Chairman                      Managing Director                      Director  
Place : Mumbai  
Dated : 10-8-2010

**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, 2010. 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 10th August, 2010, to the members of the company.

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

Place : Mumbai  
Dated : 10th August, 2010



# 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, 2010

## 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

Right Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

### SOURCES OF FUNDS

Paid up Capital

Reserve & Surplus

Secured Loans

Unsecured Loans

### APPLICATION OF FUNDS

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

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

Accumulated Losses

Turnover (Gross Income)

Total Expenditure

Profit before tax

Profit after tax

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

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 : 10-8-2010

Chairman Managing Director Director

Place : Mumbai  
Date : 10-8-2010

# ZODIAC – JRD – MKJ - LIMITED

Registered Office : 910 Parekh Market, 39, J. S. S. Road, Opera House, Mumbai – 400 004  
Registrars : LINK INTIME INDIA PRIVATE LTD., 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 17th September, 2010 at 10.00 a.m. at Thacker's Caterers, Birla Krida Kendra Restaurant, Chowpatty, Mumbai - 400 007

Their respective signatures are as under:

As. witness my/our hand(s) this

day of

2010

(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

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# ZODIAC – JRD – MKJ - LIMITED

Registered Office: 910 Parekh Market, 39, J. S. S. Road, Opera House, Mumbai – 400 004  
Registrars: LINK INTIME INDIA PRIVATE LTD., 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 17th September, 2010 at 10.00 a.m. at the Thacker's Caterers, Birla Krida Kendra Restaurant, Chowpatty, Mumbai 400 007, 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 :  
**LINK INTIME INDIA PRIVATE LIMITED**  
**UNIT : Zodiac - JRD - MKJ - Limited**  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (West), Mumbai - 400 078.