

## **ZODIAC VENTURES LIMITED**

### **Board of Directors**

Mr. Jimit Ramesh Shah	-	Managing Director
Mr. Ramesh Virji Shah	-	Whole Time Director
Mr. Akash Nayan Parikh	-	Director
Mrs. Sunita Jimit Shah	-	Director
Dr. Anil Bhaskar Ghagare	-	Director
Mr. Ritwik Sheth	-	Additional Director
Mr. Ravi Vaishnav	-	Company Secretary

### **Bankers**

The Cosmos Co-op Bank Ltd

### **Statutory Auditors**

**A R Sodha & Company,**  
Chartered Accountants, Mumbai

### **Registered Office**

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

### **Registrar & Share Transfer Agents**

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

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**NOTICE**

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of **ZODIAC VENTURES LIMITED** will be held on Tuesday, **30<sup>th</sup> September 2014** at 12.00 Noon at the Registered Office of the Company situated at 404, Dev Plaza, S V Road, Andheri (West), Mumbai – 400 058 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2014 including the audited Balance sheet as at 31<sup>st</sup> March 2014 and the statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Sunita Shah (**DIN:** 03099290), who retires by rotation and being eligible, offers herself for re-appointment.
3. To declare final dividend on the Equity shares of the Company.
4. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. A.R Sodha & Company, Chartered Accountants, Mumbai (ICAI Registration Number 110324W) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) on such remuneration as may be decided by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT**, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr. Ritwik Sheth (**DIN:** 06899744), who was appointed as an Additional Director of the Company with effect 30<sup>th</sup> June 2014 and who holds office until the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ritwik Sheth as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31<sup>st</sup> March, 2019, and whose office shall not be liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Aakash Parikh (**DIN:** 02582311), Director of the Company whose period of office is liable to determination by retirement of directors by rotation (under the erstwhile Companies Act, 1956) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Aakash Parikh as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31<sup>st</sup> March, 2019, and whose office shall not be liable to retire by rotation.”

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Dr. Anil Ghagare (**DIN:** 03197982), Director of the Company whose period of office is liable to determination by retirement of directors by rotation (under the erstwhile Companies Act, 1956) and in respect of whom the Company has

received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Anil Ghagare as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31<sup>st</sup> March 2019, and whose office shall not be liable to retire by rotation.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1) (c) of the Companies Act 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company and in supersession of all the earlier resolution(s) passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) from the financial institutions, Company’s bankers and or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured which may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of 100 Crores (Rupees One Hundred Crores only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Key Managerial Personnel of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and subject to Central Government approval, if required, and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Jimit Shah (**DIN**: 01580796), as the Managing Director of the Company for a further period of three years with effect from 2<sup>nd</sup> November 2013, on a monthly remuneration amounting to Rs. 2,50,000 (effective from 1<sup>st</sup> October 2014), upon such terms and conditions, as set out in the draft Agreement (hereinafter referred to as the 'the Agreement') to be executed between the Company and Mr. Jimit Shah, as placed before this meeting and duly initialed by the Chairman for the purpose of identification.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include the Nomination and Remuneration Committee of Directors of the Company) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such a manner as may be permitted in accordance with the provisions of the Act and any amendment thereto or re-enactment thereof.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of part II of Schedule V of the Companies Act, 2013 whichever is low, unless otherwise determine by the Board of Directors.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in pursuance of the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the Re-Appointment of Mr. Ramesh Shah (**DIN** : 01580767) as the Whole Time Director of the Company whose period of office shall be liable to retire by rotation, for a further period of three years commencing from 2<sup>nd</sup> November, 2013, without remuneration and on such terms and conditions, as set out in the draft Agreement (hereinafter referred to as the 'the Agreement') to be executed between the Company and Mr. Ramesh Shah, as placed before this meeting and duly initialed by the Chairman for the purpose of identification, with a liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment in such a manner as may be permitted in accordance with the provisions of the Act and any amendment thereto or re-enactment thereof and agreed to between the Board and Mr. Ramesh Shah.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

11. To consider and if thought fit, to pass with or without modifications(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the consent of the Members be and is hereby accorded for the Company to enter into various transactions with Zodiac Developers Private Limited, a Subsidiary of the Company, for an aggregate value of Rs. 2 Crore over a period of 24 months starting from 1st April 2014, on such terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or desirable to give effect to the foregoing resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any Committee of Directors or any one or more Directors of the Company.”

**By Order of the Board of Directors**  
Sd/-  
**Ravi Vaishnav**  
Company Secretary

**Place: Mumbai**  
**Date: 1<sup>st</sup> September 2014**

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(S) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY (S) NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. Explanatory Statement pursuant to section 102(1) of the Companies Act, setting out the material facts in respect of the business under item Nos. 5 to 11 set out above and the details under clause 49 of the Listing Agreement with Stock Exchange in respect of Director's proposed to be appointed/ re-appointed at the Annual General Meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26<sup>th</sup> September 2014 to 30<sup>th</sup> September 2014, both days inclusive, in connection with the Annual General meeting & for the purpose of payment of final dividend.
4. The Members are requested to intimate to the Registrar & Share Transfer Agent of the Company – Sharex Dynamics (India) Pvt Ltd., unit no.1 Luthra Indl.Premises , Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072, immediately of any changes, if any, in their Registered Address.
5. Notice is being sent to all the Members, whose names appear in the Register of Members/ Record of Depositories as on Thursday, 28<sup>th</sup> August 2014. Members who have registered their e-mail id with the Company, notice is sent electronically by e-mail and to the remaining Members notice is sent by post.
6. Mr. Praveen Kumar Jain of Praveen Jain & Associates Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. **Voting Through Electronic Form (E-Voting)**

In Compliance with the provisions of section 108 of the Companies Act, 2013, read with rule 20 of Companies (Management and Administration) Rules, 2014, and clause 35B of the Equity Listing Agreement with Bombay Stock Exchange ("BSE"), the Company is pleased to offer E-Voting facility for the Members to enable them to cast their votes electronically. Members have option either to vote at the Annual General Meeting or cast their vote electronically. **If a member has opted for E-Voting, then he/she should not vote at the Annual General Meeting and vice-versa. However in case Member cast their vote both via physical voting in Annual General Meeting and E-voting, then E-Voting will prevail.** For the purpose of E-Voting, the Company has signed an agreement with Central Depository Limited ("CDSL") for facilitating E-Voting. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion.

**The instructions for members for voting electronically are as under:-**

- (i) The e-voting period begins on 22<sup>nd</sup> September 2014 (9.00 am) and ends on 24<sup>th</sup> September 2014 (6.00 p.m). During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 28<sup>th</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Now click on "Shareholders" tab.
- (iv) Now, select the Electronic Voting Sequence Number (EVSU) – "140828021" along with "Zodiac Ventures Limited" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter either of DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cutoff date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Zodiac Ventures Limited to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then, enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
8. A copy of this notice has been placed on the web-site of the Company.
  9. The Scrutinizer shall within period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favor or against, if any, forthwith to the Chairman.
  10. The result declared along with the Scrutinizer's Report will be placed on the Company's website [www.zodiacventures.in](http://www.zodiacventures.in) and on the website of CDSL within two (2) days of passing the resolution.
  11. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The Statement pursuant to Section 102(1) of the Companies Act, 2013 for item Nos. 5 to 11 of the accompanying notice is as under:

**Item No. 5**

Mr. Ritwik Sheth (**DIN:** 06899744) was appointed as an additional director in the category of Independent Director by the Board of Directors of the Company with effect from 30<sup>th</sup> June 2014 to fill up the vacancy caused due to the Resignation of Mr. Litesh Gada (**DIN:** 03307067), Independent Director.

Pursuant to Section 161(1) of the Companies Act 2013, Mr. Ritwik Sheth holds his office till the date of this Annual General Meeting. Appropriate notice has been received by the Company from a member proposing appointment of Mr. Ritwik Sheth as Director of the Company and requisite consent has been received from Mr. Ritwik Sheth pursuant to provisions of Section 152 of the Companies Act 2013. In the opinion of the Board, Mr. Ritwik Sheth who is proposed to be appointed as an Independent Director of the Company for the period up to 31<sup>st</sup> March 2019 fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the Management. Brief Profile and other details of Mr. Ritwik Sheth forms part of the Corporate Governance Report. Your Board recommends the Ordinary resolution as set out in Item No 5 for approval of Members. None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Ritwik Sheth (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

**Item No. 6 & 7**

In accordance with the provisions of Section 149 of the Companies Act, 2013 which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors who are not liable to retire by rotation. The Company had appointed Mr. Aakash Parikh (**DIN:** 02582311) and Dr. Anil Ghagare (**DIN:** 03197982), both being Non- Executive Directors, liable to retire by rotation under the Companies Act, 1956. These Directors are also Independent Directors pursuant to Clause 49 of the listing agreement. Consequent to the applicability of the Companies Act, 2013, it is proposed to appoint Mr. Aakash Parikh and Dr. Anil Ghagare, as Independent Directors of the Company for a term of consecutive five years. The Company has received consent from these Independent Directors and also declaration confirming that they are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement with the Stock Exchanges. In this regard requisite notice in writing from a member has been received, proposing appointment of Mr. Aakash Parikh and Dr. Anil Ghagare, as candidate for the office of Independent Director of the Company. All these Independent Directors are Independent of the management and in the opinion of the Board they fulfill the conditions specified in the Companies Act, 2013 and rules made there under for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day. Other than the Independent Directors of the Company and their relatives, none of the Directors, key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolutions as set out in item numbers 6 & 7 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges. The Board recommends the Ordinary Resolutions as set out at item numbers 6 & 7 of the Notice for approval by the shareholders. Brief Profile and other details of Independent Directors forms the part of the Corporate Governance Report.

**Item No. 8**

The company had earlier obtained the shareholder's approval via Postal Ballot for borrowing in excess of net worth not exceeding Rupees One Hundred Crores under the provision of Section 293(1)(d) of the erstwhile Companies Act, 1956. The Ministry of Corporate Affairs vide General Circular no. 04 /2014 dated 25/3/2014 clarified with regard to section 180 of the Companies Act, 2013 that the resolution passed under Section 293(1)(d) of the erstwhile Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

The Board of Directors recommends the resolution for your approval.

#### Item No. 9

The Members of the Company at the 30<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2011 had approved the appointment of Mr. Jimit Shah (**DIN:** 01580796) as the Managing Director of the Company for a period three year effective from 2<sup>nd</sup> November, 2010.

In view of completion of three years term of Mr Jimit Shah, on 1<sup>st</sup> November, 2013, the Remuneration Committee and the Board of Directors of the Company in their respective Meeting(s) held on 11<sup>th</sup> October 2013 considered and approved the re-appointment of Mr. Jimit Shah as the Managing Director of the Company for a fresh term of 3 year effective from 2<sup>nd</sup> November, 2013 on a monthly remuneration amounting to Rs. 2,50,000 effective from 1<sup>st</sup> October 2014 .

Mr. Jimit Shah was accordingly, re-appointed as Company's Managing Director for a further period of three years with effect from 2<sup>nd</sup> November, 2013 subject to the approval of the Shareholders in the General Meeting and subject to the approval of the Central Government, if required.

Mr. Jimit Shah Age 32 is a Bachelor of Commerce. He has to his credit very handsome experience of 10 years in reality sector and deep insight which he had earned while working in various capacities with Zodiac Group for all these years.

#### Disclosures as prescribed under Schedule V- Part II- Section II

##### I. General Information:

- Nature of Industry: Realities & Construction and Providing Architectural and Consultancy Services in Reality Sector.
- Date or expected date of commencement of commercial production: The Company was incorporated in the year 1981 and is already in commercial production for long.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions, appearing in the prospectus: Existing Company, not applicable.
- Financial performance based on the indicators:

(Rs in lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012
Income from operations	12,110,000	12,200,000	11,022,607
Other income	313,284	280,336	4,693
<b>Total Income</b>	<b>12,423,284</b>	<b>12,480,336</b>	<b>11,027,300</b>
Expenditure	<b>5,634,035</b>	<b>5,267,938</b>	<b>5,404,904</b>
Depreciation	-	-	-
<b>Total expenditure</b>	<b>5,634,035</b>	<b>5,267,938</b>	<b>5,404,904</b>
Profit before tax	<b>6,789,249</b>	<b>7,212,398</b>	<b>5,622,396</b>
Current Tax	(1,991,928)	(2,291,396)	(1,648,104)
Deferred Tax	-	-	-
Earlier Year Tax Adjustment	(389,260)	-	(24,922)
<b>Profit after Income Tax</b>	<b>4,408,061</b>	<b>4,921,002</b>	<b>3,949,370</b>
Balance brought forward	12,342,658	87,30,480	61,49,520
Amount Available for Appropriation	1,67,50,719	1,36,51,482	100,98,890
Dividend	(1,491,600)	(1,118,700)	(10,07,500)
Dividend Tax	(253,497)	(190,124)	(1,63,441)
Capitalization of Profit by way of issue of bonus shares	-	-	-
Transfer to General Reserves	-	-	(1,97,469)
<b>Profit Carried to Balance sheet</b>	<b>15,005,622</b>	<b>12,342,658</b>	<b>87,30,480</b>
Earnings Per share (EPS)[Basic and Diluted]	1.18	4.82	5.10

- e. Export Performance and net foreign exchange collaborations: Nil  
 f. Foreign investment or collaborations, if any: Nil

## II. Information about the appointee:

### a. Background details:

Mr. Jimit Shah (32) is a Managing Director of the Company having over 10 years experience in Real Estate Industry

He is Bachelor of Commerce and has strong entrepreneurial skills, as also an undying commitment and belief in his abilities. He has been instrumental in catapulting Zodiac Ventures Limited to its present position as a strong established brand. As the Managing Director of the Company, he is actively involved in the implementation and is the driving force behind the projects envisaged by the Company.

### b. Job Profile and his suitability:

He is responsible for overall day to day management of the Company under the supervision and control of the Board of Directors of the Company

### c. Past Remuneration

No remuneration has been paid to Mr. Jimit Shah since his original date of appointment viz., 2<sup>nd</sup> November 2010

### d. Recognition or awards: NIL

### e. Remuneration proposed:

Particulars	Amount (Rs.) per month	Amount (Rs.) per annum
Basic Salary	1,50,000	18,00,000
House Rent Allowance	60,000	7,20,000
Special Allowance	40,000	4,80,000
<b>Gross Salary</b>	<b>2,50,000</b>	<b>30,00,000</b>

Note: Salary mentioned above includes \*perquisites payable to Mr. Jimit Shah

\*Perquisites are classified as follows: -

- The company will reimburse leave travel expenses for self subject to ceiling of one month's basic salary per annum.
- Reimbursement of medical expenses for self and family, subject to ceiling of one month's basic salary per annum.
- Reimbursement of Driver's salary for provision of use of car for company business.
- Gratuity as per the Rules of the Company and encashment of leave at the end of the tenure.

Note:- For the purpose of Perquisites stated above, "Family" means the spouse, the dependent children and dependent parents.

### f. Trend in the Industry and comparative remuneration profile

The remuneration proposed are fully justifiable and comparable to that prevailing in the industry, keeping in view the profile and the position of Managing Director and enriched knowledge & vast experience of Mr. Jimit Shah.

### g. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Apart from receiving remuneration as Managing Director Mr. Jimit Shah is one of the promoters of the Company and is a relative of Mr. Ramesh Shah, Whole-time Director of the Company.

## III. Other Information

### a) Reasons of loss or inadequate profits

The Company is in the business of providing Architectural and Consultancy services in realty sector. During the year there has been stagnant growth in the real estate sector and hence the Architectural services provided by the Company have been severely affected.

It is to be noted that none of the Directors of the Company have taken any remuneration from the last 4 years. Looking at the recent policy-based efforts and progressive reforms initiated in mid-2013 in the form of Real Estate Regulatory (RER) Bill and new Land Acquisition Act, which will collectively make the real estate sector more transparent and appealing for developers, investors and buyers, it is expected that the Company's position will substantially improved and hence it is proposed to give minimum remuneration to Managing Director as a reward for his devotion and faithfulness towards Company.

**b) Steps taken or proposed to be taken for improvement**

The Company has taken steps to reduce its internal cost by adopting cost-effective practices. Further Company is also taking measures to enhance its Architectural market by adopting rigorous marketing selling policy.

**c) Expected increase in productivity and profits in measurable terms**

The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come.

**IV. Disclosures**

The remunerations details and other information is given in the Corporate Governance part of the Directors Report.

Except Mr. Ramesh Shah and Mrs. Sunita Shah being relatives of Mr. Jimit Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9

A copy of the Agreement would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day up to and including the date of the Annual General Meeting. The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the Agreement and Memorandum of interest under Section 190 of the Act. The Board recommends the Resolution at item No. 9 of the Notice for your approval.

**Item No. 10**

The Members of the Company at the 30th Annual General Meeting of the Company held on 27th September, 2011 had appointed Mr. Ramesh Shah (DIN: 01580767) as the Whole-time Director of the Company for a period three year effective from 2nd November, 2010.

In view of completion of three years term of Mr Ramesh Shah, on 1<sup>st</sup> November, 2013, the Remuneration Committee and the Board of Directors of the Company in their respective Meeting(s) held on 11<sup>th</sup> October 2013 considered and approved the re-appointment of Mr. Ramesh Shah as the Whole-time Director of the Company for a fresh term of 3 year effective from 2<sup>nd</sup> November, 2013.

Mr. Ramesh Shah was accordingly, re-appointed as Company's Whole-time Director for a further period of three years with effect from 2<sup>nd</sup> November, 2013 subject to the approval of the Shareholders in the General Meeting and subject to the approval of the Central Government, if required.

Mr. Ramesh Shah age 54 is a commerce graduate and brings with him around two decades of proven experience in the Real estate sector. He is also Managing Director of Zodiac Developers Private Limited, subsidiary of the Company, drawing remuneration from it,

Except Mr. Jimit Shah and Mrs. Sunita Shah being relatives of Mr. Ramesh Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

Your Directors recommends the resolution at Item No. 10 for your approval.

A copy of the Agreement would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day up to and including the date of the Annual General Meeting. The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the Agreement and Memorandum of interest under Section 190 of the Act.

**Item No. 11**

The Company in the ordinary course of its business, and on arm's length basis, enters into architectural service arrangement with Zodiac Developers Private Limited, its subsidiary Company.

The Ministry of Corporate Affairs has on 14<sup>th</sup> August 2014 have brought into effect the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014, through which it has made it mandatory for the Company which is availing or rendering any services from its related party in a financial year, exceeding Ten Percent of its Turnover or Rupees Fifty Crores, whichever is lower, to obtain prior approval of Members by passing a Special Resolution.

The transactions envisaged herein are likely to exceed Ten Percent of the Turnover of the Company, during the financial year 2014-2015 as per the latest Audited Financial Statements of the Company and hence therefore, approval of the shareholders is being sought in terms of the aforesaid Amendment made by the Ministry of Corporate Affairs.

The Company gives below the brief details of the proposed transactions to be carried out with related parties

SR NO.	PARTICULARS	DESCRIPTION
1	Name of the related party	Zodiac Developers Private Limited (ZDPL)
2	Name of the Director/KMP who is related	1.Mr.Ramesh Shah 2.Mr. Jimit Shah 3.Mrs. Sunita Shah
3	Nature of relationship	ZDPL is a Subsidiary Company of Zodiac Ventures Limited
4	Nature, material terms, monetary value, duration and particulars of the arrangement	The Arrangement is for the Architectural Services to be provided by the Company to ZDPL over a period of 2 years beginning from 1 <sup>st</sup> April 2014 for Rs 2 Crore Only.
5	Any Advance received	No advance was received by the Company from ZDPL
6	Manner of determining price & other commercial terms	The proposed arrangement is at Arm's Length Price and in ordinary course of business of the Company, considering the prevailing market conditions.
7	Any other information relevant or important for the members to take a decision on the proposed resolution	Not Applicable

The proposal has been approved by the Audit Committee in accordance with the Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April 2014 ("SEBI Circular") and the revised clause 49 of the Listing Agreement, to be effective from 1<sup>st</sup> October 2014 as well as Section 177 of the Companies Act, 2013.

In accordance with Section 102(1) and the proviso to Section 102(2) of the Companies Act, 2013, the shareholding interest of the promoters/directors/Key Managerial Personnel of the Company in ZDPL to the extent that such shareholding is in excess of 2% is set out below:

- Mr. Ramesh Shah (Promoter and Chairman of the Company) holds 25,38,000 Equity Shares representing 24.88% of the total Equity Share capital of ZDPL.
- Mrs. Pushpa Shah, wife of Mr. Ramesh Shah, holds 23,81,700 Equity Shares representing 23.35% of the total Equity Share capital of ZDPL.
- Zodiac Ventures Limited had made an Investment of 52,00,000 Equity Shares representing 50.98% of the total Equity Share capital of ZDPL.

Except as set out above, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 11 of this Notice.

Your Directors recommend the resolution as at Item No.11 for your approval.

**By Order of the Board of Directors**

**Sd/-**  
**Ravi Vaishnav**  
**Company Secretary**

**Place: Mumbai**  
**Date: 1<sup>th</sup> September, 2014**

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting:**

**Ramesh Shah** | DIN: 01580767 | Nationality: Indian | DOB: 05/04/1960

Qualification: Bachelor of Commerce Degree

Expertise in specific functional areas: He has over 15 years experience in the Real Estate Sector. He was also an office bearer of the Slum Redevelopers Association.

Directorships held in other companies (excluding foreign companies):

1. Zodiac Homemakers Private Limited
2. Zodiac Developers Private Limited
3. Priya Infra Projects Private Limited
4. Zodiac Realities Private Limited
5. Zodiac Developers India Private Limited
6. Priya Slum Projects Private Limited

Memberships/Chairmanships of Board Committees of other companies (includes only Audit Committee / Shareholders' Investors' Grievance Committee): NIL

Number of shares held in the Company as on 31-03-2014: 12,59,232.00

**Jimit Shah** | DIN: 01580796 | Nationality: Indian | DOB: 26/01/1982

Qualification: Bachelor of Commerce Degree

Expertise in specific functional areas: He has over 10 year experience in the Real Estate business which makes him a versatile expert in Real Estate Sector.

Directorships held in other companies (excluding foreign companies):

1. Zodiac Homemakers Private Limited
2. Zodiac Developers Private Limited
3. Zodiac Developers India Private Limited
4. Zodiac Realities Private Limited

Memberships/Chairmanships of Board Committees of other companies (includes only Audit Committee/Shareholders' Investors' Grievance Committee): NIL

Number of shares held in the Company as on 31-03-2014: 2,76,232.00

**Anil Ghagare** | DIN: 03197982 | Nationality: Indian | DOB: 23/08/1952

Qualification: Bachelor of Ayurvedic and Surgery Degree from Maharashtra Faculty of Ayurvedic and Unani Syasems of Medicines, Post Graduate Diploma in Medico Legal Systems.

Expertise in specific functional areas: He has over 33 years of experience in the field of medicine wherein he has also served in the past on the panel of the Employees State Insurance Scheme of GOM.

Directorships held in other companies (excluding foreign companies): NIL

Memberships/Chairmanships of Board Committees of other companies (includes only Audit Committee / Shareholders' Investors' Grievance Committee): NIL

Number of shares held in the Company as on 31-03-2014: NIL

**Aakash Parikh** | DIN: 02582311 | Nationality: Indian | DOB: 27/11/1983

Qualification: Master of Business Administration (Capital Market).

Expertise in specific functional areas: He has over 4 years experience in field of Stock Trading, Investment Advisory, Financial Planning and Wealth Management.

Directorships held in other companies (excluding foreign companies):

- 1) Mint Financial Services Private Limited
- 2) Zodiac Developers Private Limited

Memberships/Chairmanships of Board Committees of other companies (includes only Audit Committee / Shareholders' Investors' Grievance Committee): NIL

Number of shares held in the Company as on 31-03-2014: NIL

**Ritwik Sheth** | DIN: 06899744 | Nationality: Indian | DOB: 29/08/1987

Qualification: CFA, Bachelor in Accounting & Finance, Bachelor of Commerce

Expertise in specific functional areas: Accounting and Finance.

Directorships held in other companies (excluding foreign companies): NIL

Memberships/Chairmanships of Board Committees of other companies (includes only Audit Committee / Shareholders' Investors' Grievance Committee): NIL

Number of shares held in the Company as on 31-03-2014: NIL



## DIRECTOR'S REPORT

To,  
The Members,  
**Zodiac Ventures Limited**

Your directors take pleasure in presenting the 33<sup>rd</sup> Annual Report, together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2014.

### FINANCIAL RESULTS OF YOUR COMPANY

(Amount in Rs.)

Particulars	Financial year ended on			
	31 <sup>st</sup> March 2014 (Consolidated)	31 <sup>st</sup> March 2014 (Standalone)	31 <sup>st</sup> March 2013 (Consolidated)	31 <sup>st</sup> March 2013 (Standalone)
Sales and other Income	1,48,37,422	1,24,23,284	1,46,94,606	1,24,80,336
Profit Before Interest, Depreciation & Taxation	92,03,387	67,89,249	94,26,668	72,12,398
Less: Interest Charges	-	-	-	-
Profit Before Depreciation & Taxation	92,03,387	67,89,249	94,26,668	72,12,398
Less: Depreciation on	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>	<b>92,03,387</b>	67,89,249	<b>94,26,668</b>	72,12,398
Less: Provision for taxation	29,76,178	23,81,188	31,93,320	22,91,396
<b>PROFIT AFTER TAXATION</b>	<b>62,27,210</b>	<b>44,08,061</b>	<b>62,33,348</b>	<b>49,21,002</b>
Less: Goodwill on Consolidation Written Off/(Reversed)	(21,79,206)		10,89,603	
Less: Minority Interest	8,91,740	-	6,43,307	-
<b>NET PROFIT FOR THE YEAR</b>	<b>75,14,676</b>	<b>44,08,061</b>	<b>45,00,438</b>	<b>49,21,002</b>
Dividend	14,91,600	14,91,600	11,18,700	11,18,700
Dividend Distribution Tax	2,53,497	2,53,497	1,90,124	1,90,124
<b>PROFIT AFTER DIVIDEND</b>	<b>57,69,579</b>	<b>26,62,964</b>	<b>31,91,614</b>	<b>36,12,178</b>
Balance brought forward from Previous year	<b>1,20,98,569</b>	1,23,42,658	89,06,955	87,30,480
Less: Transfer to General Reserve	-	-	-	-
Profit / (Loss) carried to Balance sheet	<b>1,78,68,148</b>	<b>1,50,05,622</b>	<b>1,20,98,569</b>	<b>1,23,42,658</b>

### OPERATIONAL REVIEW

During the year under review, the Company has made a net profit of Rs. 75,14,676/- on consolidated basis and Rs. 44,08,061/- on standalone basis for the financial year 2013-14. Last year, the Company has made a net profit of Rs. 45,00,438/- on consolidated basis and Rs. 49,21,002/- on standalone basis for the financial year 2012-13.

### DIVIDEND

The Directors have recommended a Dividend of Rs. 0.40 per equity shares of Rs. 10/- each, i.e. 4% of the face value, for the year ended 31<sup>st</sup> March 2014, however since the Company has in its Extra Ordinary General Meeting held on 4<sup>th</sup> August 2014 have resolved to sub-divide its Equity Shares from Rs. 10/- per share to Re. 1/- per share. Hence, accordingly 4% of the face value post sub-division comes to Rs. 0.04/- per equity share of face value of Re. 1/- each which is hereby recommended by Board, subject to the approval of the members at the Annual General Meeting. The total cash out flow on account of equity dividend payment, excluding the dividend distribution tax would be Rs. 14,91,600/- for the financial year 2013-14.

## **DIRECTORS**

Mr. Litesh Gada one of the Independent Directors of the Company resigned as a Director of the Company w.e.f 17<sup>th</sup> June 2014. Your Board places on record its deep sense of appreciation for the contribution made by him during his tenure as the Independent Director of the Company. Mr. Ritwik Sheth was appointed as an Additional Director by the board w.e.f 30<sup>th</sup> June 2014, in the category of Independent Director in accordance with the Articles of Association of the Company and Section 161 of the Companies Act, 2013 (the Act). Mr. Ritwik Sheth holds office only upto the date of the forthcoming AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Sheth's appointment as a Director. His appointment requires the approval of the Members at the ensuing AGM. The Company has, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Aakash Parikh and Dr. Anil Ghagare as Independent Directors of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

In accordance with the requirements of the Act and the Articles of Association of the Company, Mrs. Sunita Shah retires by rotation and is eligible for re-appointment.

## **SUBSIDIARIES OF THE COMPANY**

The Company as on 31<sup>st</sup> March 2014 has one subsidiary viz. Zodiac Developers Private Limited (ZDPL). The Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated February 08, 2011 has granted an exemption to all the Companies from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided that the Company publish the Audited consolidated financial statement in the Annual Report. Accordingly this Annual report of the Company contains the summary of financial statement of your Company's subsidiaries duly audited by its respective statutory auditors. Relevant disclosure of the subsidiary is disclosed in the consolidated balance sheet.

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

## **PUBLIC DEPOSITS**

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

## **PARTICULARS OF EMPLOYEES**

None of the employee was drawing in excess of the limits as mentioned under provisions of the Companies Act, 2013 and the rules made there under therefore no such particulars are provided.

## **SUBDIVISION OF EQUITY SHARES**

The Company has in its Extra-Ordinary General Meeting held on 4<sup>th</sup> August 2014 have sub-divided its Equity Shares from Rs. 10/- per shares to Re.1/- per shares.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 on the basis of information placed before them, the Directors state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2014 and of the profit of the Company for the said period;



- iii. 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. the annual accounts have been prepared on a going concern basis.

**AUDITORS:**

The Statutory Auditors M/s. A.R Sodha & Company, Chartered Accountant, Mumbai, having Firm Registration No 110324W, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till 38<sup>th</sup> Annual General Meeting at remuneration as may be decided by the Board.

**REVIEW OF AUDITOR'S REPORT**

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

**MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**CORPORATE GOVERNANCE:**

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

**DEPOSITORY SYSTEM:**

The Company has electronic connectivity with both depositories namely Central Depository Services (India) Limited and National Securities Depository Limited. As on 31<sup>st</sup> March 2014, 97.32% of the Company's paid-up share capital representing 36,28,880 equity shares is in dematerialized form. In view of the numerous advantages offered by the Depository system, Members holding shares in physical mode are requested to avail of the facility of dematerialization of the Company's shares on either of Depositories.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO;**

The additional information as required under the provisions of Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure-I.

**COMPLIANCE CERTIFICATE**

The Compliance Certificate issued by the Practicing Company Secretary under provision of Companies Act for the year ended 31<sup>st</sup> March 2014 is enclosed.

**ACKNOWLEDGEMENTS**

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

Place: Mumbai  
Date: 1<sup>st</sup> September 2014

For and on behalf of the Board  
Sd/-  
Ramesh Shah  
Chairman

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

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

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

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

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

**II. TECHNOLOGY ABSORPTION**

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

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

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

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

**For and on behalf of the Board**  
Sd/-  
**Ramesh Shah**  
Chairman

**Place: Mumbai**  
**Date: 1<sup>st</sup> September 2014**

### COMPLIANCE CERTIFICATE

(Under Proviso to Sub-Section (1) of Section 383 A)

**CIN :** L45209MH1981PLC023923  
**Nominal Capital :** Rs. 20,00,00,000/-  
**Paid-up Capital :** Rs. 3,72,90,000/-

To  
 The Members,  
**ZODIAC VENTURES LIMITED**

I have examined the registers, records, books and papers of **ZODIAC VENTURES LIMITED** having its registered office at 404, Dev Plaza, 68, S.V. Road, Andheri (West), Mumbai – 400058, required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure “A” to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure “B” to this certificate with the Ministry of Corporate affairs beyond the time prescribed under the Act and the rules made there under.
3. The company is a public limited company and hence comments are not required .
4. The Board of Directors duly met 8 times on 30<sup>th</sup> May, 2013, 10<sup>th</sup> June, 2013, 12<sup>th</sup> August, 2013, 1<sup>st</sup> October, 2013, 11<sup>th</sup> October, 2013, 13<sup>th</sup> November, 2013, 29<sup>th</sup> November, 2013 and 14<sup>th</sup> February, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 26<sup>th</sup> September, 2013 to 28<sup>th</sup> September, 2013 and has complied with the provisions of the Act except news papers publication.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 28<sup>th</sup> September, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year under scrutiny.
8. The company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act except loan & advance to its subsidiary company.
9. No contracts were entered during the year attracting the provisions of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company did not issue any duplicate share certificates during the financial year under scrutiny.
13. The company has :
  - i. Delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
  - ii. Has declared dividend during the year under review & deposit of amount of dividend declared in a separate bank account maintained with The Cosmos Co-Operative Bank Limited on 29<sup>th</sup> October, 2013, **which was not within five days from the date of declaration of dividend.**
  - iii. Paid through NEFT / posted bank cheque for dividend to all the members beyond the period 30 (thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to unpaid dividend account of the company with The Cosmos Co-Operative Bank Limited **which was beyond the seven days from the date of expiry of the thirty days for payment of dividend.**
  - iv. No amounts unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence transferring of the same to the Investor Education and Protection Fund does not arise.
  - v. Duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year under scrutiny.
15. The re-appointment of Managing Director and Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. However necessary forms not yet file.
16. The company has not appointed any sole-selling agents during the financial year under scrutiny.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other companies/firms to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares/debentures/other securities during the financial year under scrutiny.
20. The company has not bought back any shares during the financial year under scrutiny.
21. The company has not issued any preference shares/debentures and hence there is no question of redemption of the same.
22. During the year there was no need for the company to keep in abeyance right to dividend, rights shares and bonus shares.
23. The company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year under scrutiny.
24. The amounts borrowed by the company from directors during the financial year are within the borrowing limits of the company pursuant to the provision of the Act.
25. The company has made loan and investments to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under scrutiny.
31. During the year the company has received notice under rule 4 of SEBI (Procedure for holding enquiry and imposing penalties by adjudicating officer) rules 1995 read with section 151 of SEBI Act, 1952 and SEBI also imposed penalty for Violation of provisions of Regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and regulation 74(3) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 read with regulation 20(1) of SEBI (Substantial Acquisition of Shares and Takeovers), Regulations, 2011.
32. The company has not received any sum as security from its employees during the year under scrutiny.
33. The provisions of Section 418 of the Act are not applicable to the company during the year under scrutiny.

For **PRAVEEN JAIN & ASSOCIATES**  
**COMPANY SECRETARIES**

**(PRAVEEN KUMAR JAIN)**  
**PROPRIETOR**  
**C.P. NO. 5986**

**PLACE : MUMBAI**  
**DATE : 30<sup>th</sup> May 2014.**

**Reg.: ZODIAC VENTURES LIMITED**  
**CIN : L45209MH1981PLC023923**  
**Nominal Capital : Rs. 20,00,00,000/-**  
**Paid-up Capital : Rs. 3,72,90,000/-**

**Annexure A**

**Registers as maintained by the Company**

1. Register of Members U/S. 150.
2. Attendance Register for General Meeting U/S. 174.
3. Minutes Books of General Meetings and Board Meetings U/S. 193.
4. Attendance Register for Board Meetings U/S. 287.
5. Register of Directors U/S. 303.
6. Register of Directors Shareholding U/S. 307.
7. Register of Investments U/S. 372A.
8. Register of Contract U/S 301.
9. Register of Share Transfer.
10. Books of Accounts U/S. 209.

**Annexure B**

**Forms and Returns as filed by the Company with the Ministry of Corporate Affairs, during the financial year ended on 31<sup>st</sup> March, 2014.**

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No.
1	Form 66	383A	Compliance Certificate for the year ended 31 <sup>st</sup> March, 2013	5 <sup>th</sup> December, 2013	No	Yes
2	Form 20 B	159	Annual Return as on the date of the Annual General Meeting held on 28 <sup>th</sup> September, 2013	15 <sup>th</sup> March, 2014	No	Yes
3	Form No. 23AC & ACA XBRL	220	Balance Sheet and Profit & Loss Account for the year ended 31 <sup>st</sup> March, 2013	7 <sup>th</sup> December, 2013	No	Yes
4	Form No. 5INV	Rule 3 IEPF	Statement of unclaimed & unpaid amounts	24 <sup>th</sup> March, 2014	No	NA

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented here under which forms part of the Annual Report.

### **i) Economic Overview, Opportunities and Threats:**

Financial Year 2013 - 14 was a challenging year for India's Economy with a second successive year of less than 5% growth in gross domestic product (GDP). The global events and political uncertainties complicated the business environment. Though the governmental efforts were focused towards fight against inflation, none the less the inflation continued to scale high. The economy continues to be constrained by high interest rates and sticky inflation. Global economic uncertainties have affected India's economy including the Real Estate Sector.

The outlook for the Indian economy is now looking significantly better than in 2013 when the economy was struggling with current account and fiscal deficit, falling rupee and high and stubborn inflation. Rising exports, swift policy as well as project clearance actions expected from the new Government have improved business sentiments. The government has introduced many progressive reform measures to unlock the potential of the real estate sector and also to meet the increasing demand levels. The stimulus package announced by the government, coupled with the Reserve Bank of India's move allowing banks to provide special treatment to the real estate sector is likely to impact the Indian real estate sector in a positive way.

### **ii) Segment-wise analysis**

Revenue of the Company is generated from providing Architectural and Consultancy Services in Real Estate Sector. The Company achieved a Consolidated Turnover of Rs. 1.21 Crores during the current year.

### **iii) Outlook**

The scope of Affordable Housing in India is simply unlimited. A Number of real estate companies now have access to organized financing through primary and secondary markets, financial institutions and alternative financing routes such as private equity. The Indian construction market is expected to be the world's third largest by 2020. It is currently the fourth largest sector in the country in terms of FDI inflows.

The Government on India has shown support for the real estate industry. It has allowed foreign direct investment (FDI) of up to 100 per cent in development projects for townships and settlements, as well as formally approved 577 special economic zones (SEZs). Thus, recent policy-based efforts and progressive reforms initiated in mid-2013 in the form of Real Estate Regulatory (RER) Bill and new Land Acquisition Act will collectively make the real estate sector more transparent and appealing for developers, investors and buyers.

## **IV) Risks & Concerns**

This sector faces various degrees of uncertainty both at the macro and micro levels. The company being in the same sector is not an exception. Right from the time of acquisition of land for construction to the time of sale of finished properties the company faces various regulatory requirements. Some of these requirements such as land acquisition, permitted land use, approval from multiple government authorities, development of land and construction thereon, stringent environmental and safety standards etc. increase cost as well as affects timeliness of a project.

## **V) Internal Control Systems**

The Company has an adequate Internal Control System commensurate with size and nature of its business to safeguard all assets and to ensure their efficient productivity. The Company has continued to keep focus on processes and controls. The Company has a suitable internal control system for the business processes, operations, financial reporting, compliance with applicable laws and regulations. Wherever deemed necessary, internal control systems are also reassessed and corrective action is taken, if required.

**VI) Financial performance**

In spite of a repressed economic development, your Company performed reasonably well.

The financial performance based on the consolidated financial results for the year ended March 31, 2014 is as under:

- Company's gross turnover including other incomes for the year ended 31st March, 2014 is Rs. 1.21 Crores.
- Earnings before tax for the year ended 31st March, 2014 were Rs. 92 Lakhs.

**VII) Material Developments in Human Resources/Industrial Relations**

The Company firmly believes that highly motivated and empowered employees are its best assets to maintain a competitive edge in the market. The management is committed to continuously upgrading skills and competency at all levels with the aid of extensive training. The Company maintains healthy and motivating work environment through various measures. This has helped the Company to retain and recruit skilled work force which would results into the timely completion of the projects.

**VIII) Cautionary Statement**

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**REPORT ON CORPORATE GOVERNANCE:**  
**(Pursuant to clause 49 of the Listing Agreement entered with the Stock Exchange)**

**1. Company's Philosophy on Corporate Governance**

The Company takes pride in being a responsible corporate citizen and has strong ethics. This is reflected in its sense of principles, which focuses on integrity and fairness in all dealings. Business strategy of your Company focuses on creating sustainable long term value of all its stakeholders including members, customers, partners, employees and the society at large.

The Company is committed to sound Corporate Governance practices and compliance with all applicable laws and regulations.

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

**2. BOARD OF DIRECTORS**

**A Composition of Board of Directors**

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

The composition of Board of Directors is as given below:

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

The Composition of the Board and the number of directorship, memberships and chairmanship of committees as on 31<sup>st</sup> March 2014, are given below:

Name of the Directors	Category of Directors	No. of Committee Membership, Chairmanships and Directorships of Other Indian Public Limited Companies (#) as on 31 <sup>st</sup> March 31 2014		
		Committee Membership	Committee Chairmanship	Directorship
Mr. Ramesh Virji Shah	Promoter - Executive Director	-	-	-
Mr. Jimit Ramesh Shah	Promoter – Executive Director	-	-	-
Mr. Aakash Nayan Parikh	Independent – Non Executive Director	-	-	-
Mrs. Sunita Jimit Shah	Promoter – Non Executive Director	-	-	-
Dr. Anil Bhaskar Ghagare	Independent – Non Executive Director	-	-	-
#Mr. Ritwik Sheth	Independent – Non Executive Director	-	-	-
*Litesh Gada	Independent – Non Executive Director	-	-	-

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

\* Resigned w.e.f 17<sup>th</sup> June 2014

# Appointed w.e.f 30<sup>th</sup> June 2014



**Detail profiles of Independent Director seeking appointment:**
**1. Mr. Ritwik Sheth (DIN: 06899744)**

Shri Ritwik Sheth (25) was appointed as an Additional Director (Independent) in the Board Meeting held on 30<sup>th</sup> June 2014. He holds a CFA Degree. He has also completed his Bachelor of Commerce and Bachelor of Accounting and Finance. He possesses sound knowledge of Accounting and Finance.

**a) Directorship:**

Apart from the Company Mr. Ritwik Sheth does not hold directorship any other Indian Public limited Company.

**b) Shareholding in the Company:**

As on 31<sup>st</sup> March 2014, Mr. Ritwik Sheth does not hold any securities in the Company.

**2. Mr. Aakash Parikh (DIN: 02582311)**

Shri Aakash Parikh (30) is a Non-Executive Independent Director of the Company. He was appointed on 2<sup>nd</sup> November 2010. He holds a degree of Master of Business Administration (Capital Market). He has also completed the Derivatives Market (Dealer's Module), the Capital Market (Dealers Module) and the AMFI (Advisors Module) of the National Stock Exchange's NSE Certificate in Financial Markets.

He has over 4 years experience in the area of Investment Advisory, Financial Planning and Wealth Management.

**a) Directorship:**

Mint Financial Services Private Limited  
Zodiac Developers Private Limited

**b) Shareholding in the Company:**

As on 31<sup>st</sup> March 2014, Mr. Ritwik Sheth does not hold any securities in the Company.

**3. Dr. Anil Ghagare (DIN: 03197982)**

Shri Anil Ghagare (61) is a Non-Executive Independent Director of the Company. He was appointed on 2<sup>nd</sup> November 2010. He holds a Bachelor of Ayurvedic Medicine and Science Degree from the Maharashtra Faculty of Ayurvedic & Uniani Systems of Medicines, Bombay. He also holds a Post Graduate Diploma in Medico Legal Systems.

He has over 33 years of experience in the field of medicine wherein he has also served in the panel of Employees State Insurance Scheme of the GOM.

**a) Directorship:**

Apart from the Company Dr. Anil Ghagare does not hold directorship any other Indian Public limited Company.

**b) Shareholding in the Company:**

As on 31<sup>st</sup> March 2014, Dr. Anil Ghagare does not hold any securities in the Company.

**B Board Meetings and Attendance during the year :**

Eight meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March 2014 and the gap between two meetings did not exceed four months. The dates on which the meetings were held are as follows:

**30<sup>th</sup> May 2013, 10<sup>th</sup> June 2013, 12<sup>th</sup> August 2013, 1<sup>st</sup> October 2013, 11<sup>th</sup> October 2013, 13<sup>th</sup> November 2013, 29<sup>th</sup> November 2013, 14<sup>th</sup> February 2014.**

The 32<sup>nd</sup> Annual General Meeting (AGM) of the Company was held on 28<sup>th</sup> September 2013.

The attendance of the Directors at these Meetings is as under:

<b>Name of the Director</b>	<b>Designation</b>	<b>Attendance in Board Meetings during 2013 – 2014</b>	<b>Attendance at the last Annual General Meeting held on 28<sup>th</sup> September 2013</b>
Mr. Ramesh Virji Shah	Whole-time Director	8	Yes
Mr. Jimit Ramesh Shah	Managing Director	8	Yes
Mr. Aakash Nayan Parikh	Director	8	Yes
Mrs. Sunita Jimit Shah	Director	8	Yes
Dr. Anil Bhaskar Ghagare	Director	8	Yes
*Mr. Litesh Korshi Gada	Director	8	Yes
#Mr. Ritwik Sheth	Director	-	-

\* Resigned w.e.f 17<sup>th</sup> June 2014

# Appointed w.e.f 30<sup>th</sup> June 2014

**C Non executive directors' compensation and disclosures:**

The Non-Executive Directors have not drawn any remuneration including sitting fees from the Company for the year ended 31<sup>st</sup> March 2014. None of the Non-executive Directors have any material pecuniary relationship or transactions with the Company.

No convertible instruments/employee stock options have been granted by the Company to the Non-Executive Directors of the Company.

**D Code of conduct:**

The Board of Directors has laid down a Code of Conduct for the Board members and senior management personnel of the Company. The same is circulated among the Board Members and Senior Management Personnel. All the members of the Board and Senior Management Personnel have affirmed compliance of the respective Code of Conduct on Annual Basis. The required Declaration to the Compliance is offered herewith.

Declaration regarding compliance with the Code of Conduct of the Company is given herein below:-

**I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct of the Company during the financial year 2013 - 2014.**

Sd/-  
**Ramesh Shah**  
 Chairman

Place: Mumbai

Date: 1<sup>st</sup> September 2014

**E CEO CERTIFICATION**

As required under Clause 49 of the Listing Agreement, the CEO certification on the financial statements and other matters has been obtained from Mr. Jimit Shah, Managing Director of the Company and is annexed with this report.

### 3. **AUDIT COMMITTEE:**

#### a) **Terms of reference:**

The role and the powers of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement and Section 292A of Companies Act, 1956.

- a. The scope of the Audit Committee includes:
  - I. Review of financial statements before they are submitted to the Board for adoption.
  - II. Recommending the appointment or removal of statutory auditors, fixation of audit fees and approval for payment for other services provided by the auditors.
  - III. Review of quarterly, half yearly and yearly financial statements before they are presented to the Board, focusing inter alia upon –
    - Accounting Policies and any changes thereto.
    - Ensure compliance with the Accounting Standards.
    - Compliance with the laws, rules, regulations and notifications issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.
    - Qualifications in draft audit report, if any.
    - Significant issues arising out of audit.
    - The going concern assumption.
    - Major accounting entries based on exercise of judgment by management.
    - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management or relatives, etc. that may have potential conflict with the interest of the Company at large.
- b. Review with the management, auditors the adequacy of internal control systems.
- c. Discussions with the Statutory Auditors on matters relating to internal controls, periodic financial statements and any significant findings and follow up thereon.
- d. Review of the Company's financial and risk management policies.
- e. Carry out any other function as is mentioned in the terms of reference to the Audit Committee
  - Accounting and financial reporting process of the Company
  - Audited and un-audited financial results
  - Internal audit reports, risk management policies & report on internal control systems of the Company
  - Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations.

The Audit Committee also reviews the adequacy of disclosures and compliance with all relevant laws. Audit Committee meetings are generally attended by the Managing Director, Chief Financial Officer and representative of Statutory Auditors of the Company.

#### b) **Composition:**

As at 31<sup>st</sup> March 2014, the Audit Committee of the Board comprised of three (3) Directors and was chaired by Mr. Litesh Gada an Independent Director. Subsequent to resignation of Mr. Litesh Gada on 17<sup>th</sup> June 2014, Mr. Ritwik Sheth, an Independent Director, was appointed as Chairman of the Committee.

The Audit Committee comprises of Three Directors. Out of three directors, two of them are Non Executive and Independent Directors and one Director is an Executive and Non Independent Director. All the Directors possess knowledge of corporate finance, accounts and company law. An Independent, Non Executive Director acts as Chairman of the Committee Meetings. The Statutory Auditors are also invited to the meetings. The quorum of the Audit Committee is three members.

During the year under review, four (4) meetings of the Audit Committee were held on 1<sup>st</sup> April 2013, 31<sup>st</sup> July 2013, 15<sup>th</sup> October 2013 and 15<sup>th</sup> January 2014.

The details of composition of the Audit Committee, which complies with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement along with

attendance of the Committee Members at the meetings held during the year under review, is as detailed herein:

Name of the Director	Category	Number of Meetings attended
*Mr. Litesh Korshi Gada	Non - Executive, Independent	4
#Mr. Ritwik Sheth	Non - Executive, Independent	-
Mr. Ramesh Virji Shah	Executive, Promoter	4
Mr. Aakash Nayan Parikh	Non - Executive, Independent	4

\* Resigned w.e.f 17<sup>th</sup> June 2014

# Appointed w.e.f 30<sup>th</sup> June 2014

#### 4. **NOMINATION AND REMUNERATION COMMITTEE (Formerly known as Remuneration / Compensation Committee):**

##### **Brief description of Terms of reference**

The 'Remuneration Committee' which was re-constituted & renamed as "Nomination and Remuneration Committee" in the Board Meeting held on 30<sup>th</sup> June 2014, aims to determine the policy on remuneration packages of executive directors of the Company including payment of compensation. Besides, it also determines remuneration to the relatives of Directors and Senior Employees, if any.

While deciding on the remuneration of the Directors, the committee considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review remuneration policies. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to its Managing/ Whole-Time Directors. No remuneration by way of commission was given to any Executive Director.

The Remuneration committee consists of the following members:

Name of the Director	Category	Position
Dr. Anil Bhaskar Ghagare	Non - Executive, Independent	Chairman
Mr. Jimit Ramesh Shah	Executive, Non – Independent	Member
Mr. Aakash Nayan Parikh	Non - Executive, Independent	Member

Note: Dr. Anil Bhaskar Ghagare has been appointed as the Chairman in place of Mr. Aakash Nayan Parikh.

##### **Remuneration Package & Remuneration paid to Directors**

Remuneration package is determined on a case-to-case basis. The Company had not paid any Remuneration to Executive Directors for the year ended 31<sup>st</sup> March, 2014.

##### **Disclosures as required pursuant to Schedule V of the Companies Act, 2013**

Salary mentioned above includes perquisites payable to Mr. Jimit Shah, classified as follows: -

- The company will reimburse leave travel expenses for self subject to ceiling of one month's basic salary per annum.
- Reimbursement of medical expenses for self and family, subject to ceiling of one month's basic salary per annum.
- Reimbursement of Driver's salary for provision of use of car for company business.
- Gratuity as per the Rules of the Company and encashment of leave at the end of the tenure.

Note:- For the purpose of Perquisites stated above, "Family" means the spouse, the dependent children and dependent parents.

Except Mr. Ramesh Shah and Ms. Sunita Shah being relatives of Mr. Jimit Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10

A copy of the Agreement would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day up to and including the date of the Annual General Meeting. The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the Agreement and Memorandum of interest under Section 190 of the Act.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE (Former Name – Shareholders' / Investors' Grievance Committee)

### Composition & Meetings of Committee

"Shareholder's/Investor's Grievance Committee" was re-constituted & renamed as "Stakeholders Relationship Committee" in the Board Meeting held on 30<sup>th</sup> June 2014 as per requirement of the Companies Act, 2013 and the Rules and regulations made there under.

The Committee comprise of following Independent Directors designated as Non-Executive Directors:

Name of the Director	Category	Position
Mr. Aakash Nayan Parikh	Non - Executive, Independent	Chairman
Mrs. Sunita Jimit Shah	Non - Executive, Non – Independent	Member
Dr. Anil Bhaskar Ghagare	Non - Executive, Independent	Member

Note: Mr. Aakash Nayan Parikh has been appointed as the Chairman in place of Dr. Anil Bhaskar Ghagare

During the financial year ended March 31, 2014, three Shareholders Grievance Committee meetings were held respectively on 18<sup>th</sup> May 2013, 29<sup>th</sup> July 2013 and 8<sup>th</sup> August 2013

### Powers and Functions of the Committee

1. Redressing shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, duplicate share certificates etc.;
2. To take action for efficient transfer of shares, including review of cases for refusal of transfer/transmission of shares;
3. To take effective action for allotment and listing of shares;
4. Issuance of duplicate / split / consolidated share certificates;
5. To monitor, under the supervision of the Company Secretary, the complaints received by the Company from SEBI, Stock Exchanges, Ministry of Corporate Affairs, ROC and the Share/ Security holders of the Company etc., and the action taken for redressal of the same.
6. To monitor and expedite the status and process of dematerialization and re-materialization of shares of the Company.
7. To suggest statutory and regulatory authorities regarding investor grievances and make sure proper and timely attendance and redressal of investor queries and grievances.

During the year, the Company has not received complaint and there were no complaints outstanding as on 31<sup>st</sup> March 2014.

## 6. DISCLOSURES:

### ○ Disclosures of Transactions with Related Parties:

The details of all materially significant transactions with related parties are periodically placed before the audit committee. The details are mentioned in notes to the Balance Sheet attached with this report.

### ○ Compliances by the Company:

The Company is in compliance with the various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to the capital market. During the year 2013 – 2014, the SEBI has imposed a penalty of Rs. 500,000/- on the Company and Rs. 200,000/- on the Executive Directors of the Company, by order dated 28<sup>th</sup> March 2014 for Violation of provisions of Regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SAST Regulations, 1997") and regulation 74(3) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "ICDR Regulations, 2009") read with regulation 20(1) of SEBI (Substantial Acquisition of Shares and Takeovers), Regulations, 2011 (hereinafter referred to as 'SAST Regulations, 2011')

o **Details of shareholding of Directors of the Company as on 31st March 2014:**

Mr. Ramesh Virji Shah	12,59,232 Equity Shares (33.77 %)
Mr. Jimit Ramesh Shah	2,76,232 Equity Shares (7.41 %)
Ms. Aakash Nayan Parikh	Nil
Mrs. Sunita Jimit Shah	175000 Equity Shares (4.69%)
Dr. Anil Bhaskar Ghagare	Nil
Mr. Litesh Korshi Gada	Nil

**7. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis forms part of the Annual Report.

**8. GENERAL BODY MEETING :**

a. Location, time and date where last three Annual General Meetings were held are given below:

AGM	DAY	DATE	TIME	VENUE
30 <sup>th</sup>	Tuesday	27 <sup>th</sup> September 2011	11.00 a.m.	404, Dev Plaza, 68, S V Road, Andheri (West), Mumbai – 400 058
31 <sup>st</sup>	Friday	28 <sup>th</sup> September 2012	11.00 a.m.	404, Dev Plaza, 68, S V Road, Andheri (West), Mumbai – 400 058
32 <sup>nd</sup>	Saturday	28 <sup>th</sup> September 2013	11.30 a.m	404, Dev Plaza, 68, S V Road, Andheri (West), Mumbai – 400 058

b. No Special Resolutions were passed in any of the previous three Annual General Meetings

c. Details of Resolutions passed through Postal Ballot during the year 2013 – 2014 (Under Section 192A):

The Company has not passed any special resolution through Postal Ballot during the year 2013 – 2014 under Section 192A of the Companies Act, 1956.

d. Details of any Special Resolutions is proposed to be conducted through Postal Ballot:

No resolutions are proposed to be passed by conducting a postal ballot.

**9. COMPLIANCE CERTIFICATE FROM AUDITORS:**

Compliance Certificate for Corporate Governance from M/s. A.R Sodha & Company, Chartered Accountants is annexed to this report.

**10. CEO CERTIFICATION:**

As required under Clause 49 of the Listing Agreement, the CEO certification on the financial statements and other matters has been obtained from Mr. Jimit Shah, Managing Director of the Company and is annexed with this report.

**11. MEANS OF COMMUNICATION:**

All material information and financial results of the Company is promptly sent through e-mail and hand delivery to the Bombay Stock Exchange immediately after the same are considered by the Board.

**12. GENERAL SHAREHOLDERS INFORMATION:**

**a) Annual General Meeting:**

<i>Date and Time of Meeting</i>	<i>Venue of the Meeting</i>
30 <sup>th</sup> September 2014 at 12.00 Noon	404, Dev Plaza, 68, S V Road, Andheri (West), Mumbai – 400 058

**b) Financial Year**

The Company follows April - March as its financial year. The results for every quarter beginning from April will be declared within the time period prescribed under the Listing Agreement

**c) Dates of Book Closure:**

26<sup>th</sup> September 2014 to 30<sup>th</sup> September 2014 (both days inclusive)

**d) Dividend Payment Date for the previous Financial year: 29<sup>th</sup> October 2013**

**e) Listing on Stock Exchange:**

The Equity Share of the Company are listed at the Bombay Stock Exchange Limited and the annual listing fees payable for the financial year 2013 – 2014 have been paid within the prescribed limit to the Bombay Stock Exchange Limited.

**f) Stock Code:**

Bombay Stock Exchange Limited (BSE) : 503641

**Market Price Data:**

The monthly high and low quotations traded on the Bombay Stock Exchange Limited:

Month	Equity Shares	
	High Price	Low Price
April '2013	14.58	14.58
May '2013	15.30	14.58
June '2013	16.05	15.30
July '2013	16.05	16.05
August '2013	21.35	16.05
September '2013	31.30	21.35
October '2013	61.40	31.30
November '2013	82.15	64.45
December '2013	159	86.25
January '2014	175	162.15
February '2014	201.25	178.90
March '2014	274.70	205.25

*High and low are in rupees per traded share*

**g) Stock Performance:**



**h) Registrar and Share Transfer Agent:**

Sharex Dynamic (India) Pvt Ltd.  
17/B, Dena Bank Bldg, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001

**i) Share Transfer System:**

The Company has appointed Sharex Dynamic (India) Pvt Ltd as Registrars and Share Transfer Agents. The shares lodged for physical transfer/ transmission / transposition are registered within the prescribed time period if the documents are complete in all respects. The shares in dematerialised form are admitted for trading with Central Depository Services (India) Limited (CDSL).



j) **Category wise distribution of equity shares as on 31<sup>st</sup> March 2014:**

Sr. No.	Category of Shareholders	Total Holdings	% of Shareholdings
1.	Promoter & Promoter Group	23,98,964	64.33%
2.	Mutual Funds and UTI	-	-
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Govt. Inst.)	-	-
4.	FII/Foreign Bodies	-	-
5.	Private Corporate Bodies	117	0.000%
6.	Indian Public	13,29,919	35.67%
7.	NRIs/OCBs	-	-
8.	Clearing Member	-	-
	<b>TOTAL</b>	<b>37,29,000</b>	<b>100.00%</b>

**Distribution of shareholding as on March 31, 2014:**

No. of equity shares	Shareholders		Shareholdings	
	No.	% of holders	No.	% shares
1 - 500	192	74.13	14,301	0.38
501 to 1000	2	0.77	1020	0.03
1001 to 2000	0	0.00	0	0.00
2001 to 3000	2	0.77	5500	0.15
3001 to 4000	0	0.00	0	0.00
4001 to 5000	1	0.39	5000	0.13
5001 to 10000	17	6.56	150550	4.04
10001 and above	45	17.37	3552629	95.27
<b>Total</b>	<b>259</b>	<b>100.00</b>	<b>3729000</b>	<b>100.00</b>

k) **Dematerialization of Equity shares:**

97.32% of the Equity shares of the Company have been dematerialized as on March 31, 2014. The Company has entered into agreements with Central Depository Securities Limited whereby shareholders have an option to dematerialize their shares with the depositories.

l) **Registered office of the Company:**

404, Dev Plaza, 68, S. V. Road, Andheri (West), Mumbai – 400 058

m) **Address for investor Correspondence:**

Shareholders may correspond with the Registrar and Share Transfer Agents at:  
M/s. Sharex Dynamic (India) Pvt Ltd.  
17/B, Dena Bank Bldg,  
2<sup>nd</sup> Floor, Horniman Circle,  
Fort, Mumbai – 400 001  
Tel No. – 022 28515606/ 28515644  
Fax No – 022 - 28512885

On all matters relating to transfer/dematerialization of shares, share transfer, transmission, change of address or any other query relating to Equity Shares of the Company.

The Company has designed info@zodiacventures.in as an exclusive email ID for Shareholders for the purpose of registering complaints.

**For General Correspondence:**

Zodiac Ventures Limited  
404, Dev Plaza, 68, S. V. Road, Andheri (West), Mumbai – 400 058



**CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION**

I, Jimit Ramesh Shah, Managing Director of Zodiac Ventures Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Financial Statements and the cash flow Statement for the year 2013-14 and that to the best of my Knowledge and belief;
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. I further state that to the best of my knowledge and belief, no transactions are entered into by the Company during the years which are fraudulent, illegal or violative of the Company's Code of Conduct. I hereby declare that all members of the Board of Directors and the Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. I have indicated to the auditors and the Audit Committee: -
  - a) Significant changes, if any, in internal control over financial reporting during the year;
  - b) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-  
**Jimit Shah**  
**Managing Director**

**Place: Mumbai**  
**Date: 1<sup>st</sup> September 2014**

**REPORT OF AUDITORS ON CORPORATE GOVERNANCE**

To,  
**The Members of  
Zodiac Ventures Limited**

We have examined the compliance of the conditions of Corporate Governance of Zodiac Ventures Limited for the year ended 31<sup>st</sup> March 31 2014, as stipulated in Clause 49 of the Listing Agreement with the stock Exchange in India.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations 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 further state that such compliances is neither an assurance as to the further viability of the Company not the efficiency or effectiveness with which the management has conducted the affairs of the Company

**For A. R. Sodha & Co.  
Chartered Accountants,  
FRN: 110324W**

**Dipesh R. Sangoi  
Partner  
M. No. 124295**

**Place: Mumbai  
Date: 1<sup>st</sup> September 2014**

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**To the Board of Directors of  
Zodiac Ventures Limited**

### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Zodiac Ventures Limited ("the Company"), and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**Emphasis of Matter**

6. Without qualifying our opinion, reference is drawn to Note 2.25 of the consolidated financial statements regarding retrospective change in Accounting policy relating to amortisation of Goodwill on consolidation over period of five years to no amortisation of goodwill and test the goodwill for impairment at periodic basis as Accounting Standard 21 "Consolidated Financial Statement does not specifically provide for amortisation of Goodwill.

**Other Matters**

7. We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of `5,597 Lacs as at March 31, 2014, total revenue of `24 Lacs and profit of `18 Lacs for the year ended on that date. The financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of other matters.

**For A. R. SODHA & CO.  
Chartered Accountants,  
FRN: 110324W**

**Dipesh R. Sangoi  
Partner.  
M. No. 124295**

**Place: Mumbai.  
Date: 30<sup>th</sup> May, 2014**

**ZODIAC VENTURES LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note No.	As at 31/03/2014	As at 31/03/2013
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	2.01	3,72,90,000	3,72,90,000
(b) Reserves and Surplus	2.02	8,03,18,920	7,47,49,341
<b><u>(2) Minority Interest</u></b>			
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	2.03	2,14,59,869	24,65,399
(b) Deferred Tax Liabilities (Net)	2.04	5,85,467	7,86,477
(c) Other Long Term Liabilities	2.05	26,03,11,072	26,36,42,603
<b><u>(4) Current Liabilities</u></b>			
(a) Short-Term Borrowings	2.06	11,81,55,741	11,22,89,335
(b) Trade Payables		58,54,345	35,02,568
(c) Other Current Liabilities	2.07	2,87,09,969	67,28,774
(d) Short-Term Provisions	2.08	46,83,584	29,39,809
		<b>62,01,79,615</b>	<b>56,63,13,214</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Fixed Assets			
Tangible Assets	2.09	1,88,62,274	2,25,00,918
(b) Goodwill on Consolidation		4,93,39,454	4,71,60,248
(c) Non-Current Investments	2.10	1,00,000	1,00,000
(d) Long term Loans and Advances	2.11	67,31,253	42,83,145
(e) Other Non-Current Assets	2.12	13,31,569	13,71,569
<b><u>(2) Current Assets</u></b>			
(a) Inventories	2.13	52,72,64,105	47,72,22,631
(b) Trade Receivables	2.14	1,01,86,560	-
(c) Cash and Bank Balances	2.15	49,09,890	42,66,183
(d) Short-Term Loans and Advances	2.16	3,79,244	79,57,435
(e) Other Current Assets	2.17	10,75,266	14,51,086
		<b>62,01,79,615</b>	<b>56,63,13,214</b>
<b>Significant Accounting Policies And Notes On Accounts 1 &amp; 2</b>			
<b>As per our report attached</b>			
<b>For A. R. Sodha &amp; CO.</b>		<b>For Zodiac Ventures Limited</b>	
<b>Chartered Accountants</b>			
		<b>Ramesh V. Shah</b>	
<b>CA. Dipesh R. Sangoi</b>		<b>(Chairman)</b>	
<b>Partner</b>			
<b>Membership No. : 124295</b>			
<b>Firm Reg. No.: 110324W</b>			
<b>Place:- Mumbai</b>		<b>Jimit R. Shah</b>	
<b>Date:- 30.05.2014</b>		<b>(Managing Director)</b>	

## ZODIAC VENTURES LIMITED

## CONSOLIDATED PROFIT &amp; LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Note No.	For The year ended 31/03/2014	For The year ended 31/03/2013
<b>INCOME</b>			
Revenue from Operations	2.18	1,21,10,000	1,22,00,000
Other Income	2.19	27,27,422	24,94,606
<b>Total Revenue</b>		<b>1,48,37,422</b>	<b>1,46,94,606</b>
<b>EXPENDITURE</b>			
Changes in Inventories of Work-In-Progress	2.20	(5,84,80,882)	(6,42,69,707)
Employee Benefit Expense	2.21	2,07,64,609	1,63,88,592
Finance Costs	2.22	1,52,21,657	2,35,49,069
Depreciation and Amortization Expense	2.09	38,08,839	39,12,851
Other Expenses	2.23	2,43,19,812	2,56,87,134
<b>Total Expenses</b>		<b>56,34,035</b>	<b>52,67,938</b>
<b>Profit Before Tax</b>		<b>92,03,387</b>	<b>94,26,668</b>
<b>Tax Expense:</b>			
Current tax		(27,87,928)	(30,61,396)
Deferred tax		2,01,010	72,376
Earlier Year Tax Adjustment		(3,89,260)	(2,04,300)
<b>Profit for the Year</b>		<b>62,27,210</b>	<b>62,33,348</b>
Less : Goodwill on Consolidation Written Off/(Reversed)		(21,79,206)	10,89,603
Less : Share of Profit of Minority Interest		8,91,740	6,43,307
<b>Net Profit after Minority Interest</b>		<b>75,14,676</b>	<b>45,00,438</b>
<b>Earnings Per Equity Share of Face Value of Rs. 10 each</b>			
(1) Basic	2.24	2.02	4.41
(2) Diluted	2.24	2.02	4.41
<b>Significant Accounting Policies And Notes On Accounts</b>	1 & 2		
<b>As per our report attached</b>			
<b>For A. R. Sodha &amp; CO.</b>		<b>For Zodiac Ventures Limited</b>	
<b>Chartered Accountants</b>			
<b>CA. Dipesh R. Sangoi</b>		<b>Ramesh V. Shah</b>	
<b>Partner</b>		<b>(Chairman)</b>	
<b>Membership No. : 124295</b>			
<b>Firm Reg. No.: 110324W</b>			
<b>Place:- Mumbai</b>		<b>Jimit R. Shah</b>	
<b>Date:- 30.05.2014</b>		<b>(Managing Director)</b>	

**ZODIAC VENTURES LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

	<b>PARTICULARS</b>	<b>For The year ended 31/03/2014</b>	<b>For The year ended 31/03/2013</b>
<b>A</b>	<b><u>Cash flow from Operating Activities:</u></b>		
	Net Profit before Tax as per Statement of Profit and Loss	92,03,387	94,26,668
	Less : Dividend Received	(12,000)	(15,000)
	Less : Interest Received	(3,50,784)	(4,62,626)
	Operating Profit before Working Capital changes	88,40,603	89,49,042
	<b><u>Adjusted for:</u></b>		
	Increase/(Decrease) in Trade and Other Payables	2,01,97,314	3,75,33,602
	(Increase)/Decrease in Trade and Other Receivables	(22,67,613)	(74,49,988)
	(Increase) / Decrease in Inventories	(3,09,70,978)	(3,67,67,788)
	Cash generated from operations	(42,00,674)	22,64,869
	Direct Taxes Paid	(20,84,635)	(26,96,790)
	Net Cash Inflow/(Outflow) in the course of Operating Activities	<b>(62,85,309)</b>	<b>(4,31,921)</b>
<b>B</b>	<b><u>Cash flow from Investing Activities:</u></b>		
	Purchase of Fixed Assets	(1,70,195)	(5,80,722)
	Other Bank Balances held as Margin Money		99,00,000
	Dividend Received	12,000	15,000
	Interest Received	3,50,784	4,62,626
	Net Cash Inflow / (Outflow) in the course of Investing Activities	<b>1,92,589</b>	<b>97,96,904</b>
<b>C</b>	<b><u>Cash flow from Financing Activities:</u></b>		
	Proceeds From Issue of Share Capital Including Premium		9,00,25,250
	Proceeds From Long Term Borrowings	2,25,00,000	-
	Repayment of Long Term Borrowings	(26,27,156)	(24,78,788)
	Proceeds/(Repayment) From/of Short-Term Borrowings (Net)	34,53,362	(6,81,94,904)
	Dividends paid (including Dividend Distribution Tax)	(11,18,700)	(11,70,941)
	Finance Charges Paid	(1,52,21,657)	(2,35,49,069)
	Share Issue Expenditure	(2,00,000)	(12,67,420)
	Net Cash (Outflow) in the course of Financing Activities	<b>67,85,849</b>	<b>(66,35,871)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>6,93,129</b>	<b>27,29,112</b>
	Opening balance of Cash and Cash equivalents	40,24,538	12,95,426
	<b>Closing balance of Cash and Cash Equivalents (Refer Note 2.15)</b>	<b>47,17,667</b>	<b>40,24,538</b>
<b>For A. R. Sodha &amp; CO.</b> <b>Chartered Accountants</b>  <b>CA. Dipesh R. Sangoi</b> <b>Partner</b> <b>Membership No. : 124295</b> <b>Firm Reg. No.: 110324W</b> <b>Place:- Mumbai</b> <b>Date:- 30.05.2014</b>		<b>For Zodiac Ventures Limited</b>  <b>Ramesh V. Shah</b> <b>(Chairman)</b>  <b>Jimit R. Shah</b> <b>(Managing Director)</b>	

## ZODIAC VENTURES LIMITED

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### NOTE 1:- SIGNIFICANT ACCOUNTING POLICIES

##### 1.01 Basis of Accounting

The consolidated Financial Statements of Zodiac Ventures Limited (“the Company”) and its domestic subsidiaries Zodiac Developers Pvt Ltd is prepared under the historical cost convention in accordance with the generally accepted accounting principles in India & the Accounting Standards 21 on Consolidation of Financial Statement, issued by the Institute of Chartered Accountants of India to the extent possible in the same formats that adopted by the Company for its separate financial statements.

##### 1.02 Principles of Consolidation

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting dates as of the Company.

The consolidated financial statements have been prepared on the following basis:-

- (a) The financial statements of the company and its subsidiary company have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transaction in accordance with Accounting Standard (AS) 21- ‘Consolidated Financial Statements’.
- (b) The excess of cost to the company of its investment in subsidiary company over its share of equity of the subsidiary company at the date, on which the investment in the subsidiary company is made, is recognized as “Goodwill” being an asset in the consolidated financial statements.
- (c) Minority Interest in the net assets of subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investment is made by the Company in the subsidiary company and further movements in their share in equity, subsequent to the date of investment.
- (d) Minority Interest’s share of net profit of subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.
- (f) Investments other than in subsidiary have been accounted as per Accounting Standard (AS) 13 “Accounting for Investment”.

##### 1.03 The subsidiary considered in the consolidated financial statements is:

Name of the subsidiary Company	Extent of Holding Company's Interest	Country of Incorporation
Zodiac Developers Private Limited	50.98%	India

##### 1.04 Use of Estimate

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialised.



### 1.05 Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The Following specific recognition criteria must also be met before revenue is recognized:-

Professional Fees for rendering architecture service is recognized on completion of Service and as per the terms of the Arrangement. Brokerage Income is recognized on completion of service. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Rent and Interest Income is recognized on a time proportion basis. Dividend income is recognized when the Company's right to receive dividend is established.

The Company has followed the Completed Contract Method for recognition of Income & Expenses. The Income from Sale of Flats/ Property, etc. is accounted when the Sale Deed is executed. Any amount received against Sale of Flats or Property which is under construction/ Development, the same are treated as an Advance and shown as Other Long-Term Liabilities.

All the expenses of the Company which are directly related to the particular project are directly debited to that particular project as Work in process and the General expenses which are not pertaining to any particular Project are allocated to the running projects on the basis of the total expenses incurred on that project during the year.

### 1.06 Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### 1.07 Depreciation

Depreciation has been provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis from the date assets have been put to use. Depreciation on Furniture in Leasehold premises is provided over the period of the lease.

Goodwill arising on consolidation is not amortized and is tested for impairment on periodic basis.

### 1.08 Inventory

Inventories have been valued at cost or net realizable value whichever is lower.

### 1.09 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

### 1.10 Employee Benefits

The Statutory enactments relating to payment of Provident Fund, ESIC and Gratuity to employees are not applicable to the company. The company does not have any scheme for retirement benefits for its employee and as such no provision towards retirement benefits to employees is considered necessary. Short term employee benefits in the form of leave encashment and Bonus is provided on accrual basis.

### 1.11 Borrowing Cost

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. For other Borrowing costs refer note 1.5.

### 1.12 Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

### 1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 1.14 Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

## NOTE 2:- NOTES ON ACCOUNTS

### 2.01 Share Capital

Particulars	31.03.14	31.03.13
<b>Authorized</b>		
2,00,00,000 (P.Y.2,00,00,000) Equity Shares of Rs. 10/- each.	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
<b>Issued, Subscribed and Paid-Up</b>		
37,29,000 (P.Y. 37,29,000) Equity Shares of Rs. 10/- each, Fully Paid up	3,72,90,000	3,72,90,000
<b>Total</b>	<b>3,72,90,000</b>	<b>3,72,90,000</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 0.40 (31 March 2013 Rs. 0.30)

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

### Reconciliation of shares outstanding at the beginning and at the end of the reporting period:-

Particulars	31.03.14		31.03.13	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the Period	37,29,000	3,72,90,000	7,75,000	77,50,000
Add:- Issued During the Period			29,54,000	2,95,40,000
Outstanding at the end of the period	<b>37,29,000</b>	<b>3,72,90,000</b>	<b>37,29,000</b>	<b>3,72,90,000</b>

### Details of shareholder holding more than 5% shares in the Company:-

Name of the shareholder	31.03.14		31.03.13	
	Numbers	%	Numbers	%
Ramesh V. Shah	12,59,232	33.77%	11,03,000	29.58%
Pushpa R. Shah	5,25,000	14.08%	5,25,000	14.08%
Jimit R. Shah	2,76,232	7.41%	1,20,000	3.22%

**2.02 Reserves And Surplus**

Particulars	31.03.14	31.03.13
<b><u>Securities Premium</u></b>		
Balance as per last Financial Statements	6,23,98,310	45,85,730
Add : 29,54,000 Shares Issued @ 20/- Per Share Premium	-	5,90,80,000
Less : Share Issue Expenditure	(2,00,000)	(12,67,420)
<b>Closing Balance</b>	<b>6,21,98,310</b>	<b>6,23,98,310</b>
<b><u>General Reserve</u></b>		
Balance as per last financial statements	2,52,462	2,52,462
Add : Transfer from Profit and Loss Statement	-	-
<b>Closing Balance</b>	<b>2,52,462</b>	<b>2,52,462</b>
<b><u>Surplus (Deficit) in the statement of Profit &amp; Loss A/c</u></b>		
Balance as per last financial statements	1,20,98,569	89,06,955
Add : Profit for the year	75,14,676	45,00,438
Less : Proposed Dividend	(14,91,600)	(11,18,700)
Less : Dividend Distribution tax	(2,53,497)	(1,90,124)
<b>Closing Balance</b>	<b>1,78,68,148</b>	<b>1,20,98,569</b>
<b>Total</b>	<b>8,03,18,920</b>	<b>7,47,49,341</b>

**2.03 Long-Term Borrowings**

Particulars	Non-Current Portion		Current Maturities	
	31.03.14	31.03.13	31.03.14	31.03.13
<b><u>Secured</u></b>				
<b><u>Term Loans</u></b>				
From Bank	1,28,823	5,27,882	3,99,059	4,62,541
From Other Parties	2,13,31,046	19,37,517	30,42,827	21,00,971
	<b>2,14,59,869</b>	<b>24,65,399</b>	<b>34,41,886</b>	<b>25,63,512</b>
Less:- Amount Disclosed under the head "Other Current Liabilities" (Note-2.07)	-	-	(34,41,886)	(25,63,512)
<b>Total</b>	<b>2,14,59,869</b>	<b>24,65,399</b>	-	-

Term loan from Bank amounting to Rs. 2,19,074/- (P.Y. Rs. 2,99,304) is secured by mortgage/charge on the Polo Car of the Company. Repayable in 60 equal monthly installments commencing from July, 2011. Last installment due in June, 2016. Rate of interest 12% p.a. as at year end. (P. Y. 12% p.a.)

Term loan from Bank amounting to Rs. 3,08,808/- (P.Y. Rs. 6,91,119/-) is secured by mortgage/charge on the Mahindra XYLO Car of the Company. Repayable in 36 equal monthly installments commencing from January, 2012. Last installment due in December, 2014. Rate of interest 10.49% p.a. as at year end. (P. Y. 10.49% p.a.)

Term loan from Other Parties amounting to Rs. 19,37,517/- (P.Y. Rs. 40,38,488/-) is secured by mortgage/charge on the Jaguar Car of the Company. Repayable in 36 equal monthly installments commencing from February, 2012. Last installment due in January, 2015. Rate of interest 11.35% p.a. as at year end. (P. Y. 11.35% p.a.)

Term loan from Other Parties amounting to Rs. 1,50,00,000/- (P.Y. Rs. Nil) is secured by mortgage/charge on the Residential Property in the name of Managing Director of the Company and his Relatives. Repayable in 120 equal monthly installments commencing from May, 2014. Last installment due in April, 2024. Rate of interest 13.50% p.a. as at year end. (P. Y. Nil)

Term loan from Other Parties amounting to Rs. 74,36,356/- (P.Y. Rs. Nil) is secured by mortgage/charge on the Residential Property in the name of Managing Director of the Company and his Relatives. Repayable in 120 equal monthly installments commencing from February, 2014. Last installment due in January, 2024. Rate of interest 12.50% p.a. as at year end. (P. Y. Nil)

#### 2.04 Deferred Tax Liabilities

Particulars	31.03.14	31.03.13
<b>Deferred Tax Liabilities</b>		
Depreciation	5,85,467	7,86,477
<b>Total</b>	<b>5,85,467</b>	<b>7,86,477</b>

#### 2.05 Other Long-Term Liabilities

Particulars	31.03.14	31.03.13
Trade Payables	5,32,000	5,32,000
<b>Others</b>		
Advances Received from Clients	8,77,58,072	9,10,89,603
Security Deposit Received	17,20,21,000	17,20,21,000
<b>Total</b>	<b>26,03,11,072</b>	<b>26,36,42,603</b>

#### 2.06 Short Term Borrowings

Particulars	31.03.14	31.03.13
<b>Unsecured</b>		
<b>Loans Repayable on Demand</b>		
From Related Parties	4,78,25,569	4,60,81,185
From Other Parties	7,03,30,172	6,62,08,150
<b>Total</b>	<b>11,81,55,741</b>	<b>11,22,89,335</b>

#### 2.07 Other Current Liabilities

Particulars	31.03.14	31.03.13
Current Maturities of Long-Term Borrowings (Note-2.03)	34,41,886	25,63,512
Unpaid dividend	92,223	1,41,645
Withholding and Other Taxes Payable	41,75,859	40,23,617
Advances Received from Clients-Refundable	2,10,00,001	-
<b>Total</b>	<b>2,87,09,969</b>	<b>67,28,774</b>

#### 2.08 Short-Term Provisions

Particulars	31.03.14	31.03.13
<b>Provision for Employee Benefits</b>		
Bonus Payable	1,27,694	1,02,869
<b>Others</b>		
Provision for Income Taxes	26,20,669	15,28,116
Provision for Proposed Dividend	14,91,600	11,18,700
Provision for Dividend Distribution Tax	4,43,621	1,90,124
<b>Total</b>	<b>46,83,584</b>	<b>29,39,809</b>

## ZODIAC VENTURES LIMITED

### 2.09 FIXED ASSETS

Particulars	Original Cost		Depreciation		Net Book Value	
	As At April 1, 2013	As At March 31, 2014	For the Period	Deductions/ Adjustment	As At March 31, 2014	As At March 31, 2013
<b>Tangible Assets</b>						
Building	7,25,000	7,25,000	-	-	7,25,000	7,25,000
Plant and Equipment	2,05,189	2,05,189	9,746	-	1,27,764	1,37,510
Office Equipment	16,84,093	17,29,093	80,673	-	11,54,064	11,89,737
Telephone Equipment	9,38,792	9,99,792	45,132	-	3,12,744	6,71,180
Computer Equipment	29,37,997	30,02,192	68,207	-	26,48,311	3,57,893
Furniture and Fixtures	53,83,244	53,83,244	9,97,431	-	47,01,825	16,78,850
Vehicles	2,74,48,932	2,74,48,932	26,07,650	-	1,23,15,834	1,77,40,749
<b>Total</b>	<b>3,93,23,247</b>	<b>3,94,93,442</b>	<b>38,08,839</b>	<b>-</b>	<b>1,88,31,168</b>	<b>2,25,00,918</b>
<b>Previous year</b>	<b>3,87,42,525</b>	<b>3,93,23,247</b>	<b>39,12,851</b>	<b>-</b>	<b>1,68,22,329</b>	<b>2,58,33,047</b>

**2.10 Non Current Investments**

Particulars	31.03.14	31.03.13
<b><u>Other investments (Unquoted):-</u></b>		
1,000 (P.Y.1,000) Equity Shares of Rs. 100/- each fully paid-up in "The Cosmos Co-Operative Bank Limited").	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

**2.11 Long-Term Loans And Advances**

Particulars	31.03.14	31.03.13
<b><u>Unsecured, Considered Good :-</u></b>		
<b><u>(a) Security Deposit:-</u></b>		
SRA and Other Deposits	6,56,345	6,47,645
Rental Deposits	25,10,000	25,10,000
<b><u>(b) Other Loans and Advances:-</u></b>		
Advance Against Purchase of Plot	35,64,908	11,25,500
<b>Total</b>	<b>67,31,253</b>	<b>42,83,145</b>

**2.12 Other Non-Current Assets**

Particulars	31.03.14	31.03.13
<b><u>Unsecured, Considered Good:-</u></b>		
Samir Bhojwani	4,51,524	4,51,524
Income Tax Penalty A.Y.05-06 (Pending Appeal)	8,80,045	8,80,045
Miscellaneous Expenditure	-	40,000
<b>Total</b>	<b>13,31,569</b>	<b>13,71,569</b>

**2.13 Inventories**

Particulars	31.03.14	31.03.13
<b><u>Work-in-Progress:-</u></b>		
Plot No.348:-	61,56,485	59,78,908
Plot At Gandhi Nagar- Bandra	1,20,34,855	1,79,74,646
Plot At Indira Nagar	6,79,630	6,60,026
Hanuman Nagar Project	50,63,03,185	45,05,79,382
Babugenu Nagar Project	10,45,801	10,15,636
Pavna Site	9,78,858	9,50,624
Chakala Site	65,291	63,408
<b>Total</b>	<b>52,72,64,105</b>	<b>47,72,22,631</b>

**2.14 Trade Receivable**

Particulars	31.03.14	31.03.13
<b><u>Unsecured, Considered Good :-</u></b>		
Over Six Months	-	-
Others	1,01,86,560	-
<b>Total</b>	<b>1,01,86,560</b>	<b>-</b>

**2.15 Cash And Bank Balances**

Particulars	31.03.14	31.03.13
<b><u>(i) Cash and Cash Equivalents</u></b>		
Balances with Banks	37,15,548	19,66,097
Cash-on-Hand	10,02,119	20,58,440
	<b>47,17,667</b>	<b>40,24,538</b>
<b><u>(ii) Other Bank Balances</u></b>		
Unclaimed Dividend Account	92,223	1,41,645
Balances with Banks to the extent held as Margin Money	1,00,000	1,00,000
	<b>1,92,223</b>	<b>2,41,645</b>
<b>Total</b>	<b>49,09,890</b>	<b>42,66,183</b>

Margin Money Deposit with a carrying amount of Rs. 1,00,000/- (P.Y. 1,00,000/-) are subject to first charge to secure the Company's Cash Credit Loans.

**2.16 Short-Term Loans And Advances**

Particulars	31.03.14	31.03.13
<b><u>Unsecured, Considered Good :-</u></b>		
Inter-Corporate Loan	-	75,65,245
Advance to Staff	3,79,244	3,92,190
<b>Total</b>	<b>3,79,244</b>	<b>79,57,435</b>

**2.17 Other Current Assets**

Particulars	31.03.14	31.03.13
Receivables From Jupiter Flat Owners	8,09,377	8,09,377
Samir Bhojwani (Security Expenses Receivable)	1,65,540	3,09,089
Rent Receivable (Including Service Tax)	60,349	2,92,620
Miscellaneous Expenditure	40,000	40,000
<b>Total</b>	<b>10,75,266</b>	<b>14,51,086</b>

**2.18 Revenue From Operations**

Particulars	31.03.14	31.03.13
<b><u>Sale of Services</u></b>		
Architect Fees	1,00,00,000	1,22,00,000
Commission Income	21,10,000	-
<b>Total</b>	<b>1,21,10,000</b>	<b>1,22,00,000</b>

**2.19 Other Income**

Particulars	31.03.14	31.03.13
Interest Received	3,50,784	4,62,626
Rent Received	23,64,638	19,22,004
Dividend Received on Investment in Shares	12,000	15,000
Sale of Scrap	-	94,976
<b>Total</b>	<b>27,27,422</b>	<b>24,94,606</b>

**2.20 Changes In Inventories Of Work-In-Progress**

Particulars	31.03.14	31.03.13
<b><u>Work In Progress at Commencement</u></b>		
Plot No.348:-	59,78,908	56,84,022
Plot At Gandhi Nagar- Bandra	1,79,74,646	1,61,22,006
Plot At Indira Nagar	6,60,026	6,22,920
Hanuman Nagar Project	45,05,79,382	38,85,94,414
Babugenu Nagar Project	10,15,636	9,65,543
Pavna Site	9,50,624	9,03,738
Chakala Site	63,408	60,281
<b>Total (A)</b>	<b>47,72,22,631</b>	<b>41,29,52,923</b>
<b><u>Work In Progress at Close</u></b>		
Plot No.348:-	61,56,485	59,78,908
Plot At Gandhi Nagar- Bandra	1,20,34,855	1,79,74,646
Plot At Indira Nagar	6,79,630	6,60,026
Hanuman Nagar Project	50,63,03,185	45,05,79,382
Babugenu Nagar Project	10,45,801	10,15,636
Pavna Site	9,78,858	9,50,624
Chakala Site	65,291	63,408
<b>Total (B)</b>	<b>52,72,64,105</b>	<b>47,72,22,631</b>
<b><u>Work In Progress at Commencement-Reversed</u></b>		
Plot At Gandhi Nagar- Bandra	84,39,408	-
<b>Total (C)</b>	<b>84,39,408</b>	<b>-</b>
<b>Total (A-B-C)</b>	<b>(5,84,80,882)</b>	<b>(6,42,69,707)</b>

**2.21 Employee Benefit Expense**

Particulars	31.03.14	31.03.13
Wages, Salaries and Bonus	2,04,30,784	1,59,97,889
Leave Salary	-	79,800
Staff Welfare	3,33,825	3,10,903
<b>Total</b>	<b>2,07,64,609</b>	<b>1,63,88,592</b>



**2.22 Finance Costs**

Particulars	31.03.14	31.03.13
Interest Expense	1,50,13,739	2,35,37,132
Loan Processing Charges	1,94,630	-
Bank Charges	13,288	11,937
<b>Total</b>	<b>1,52,21,657</b>	<b>2,35,49,069</b>

**2.23 Other Expenses**

Particulars	31.03.14	31.03.13
Purchases of Material	46,26,625	63,88,055
Labour Charges	4,08,824	7,25,728
Rent	53,77,096	61,68,376
Rates and Taxes, excluding Taxes on Income	7,54,907	14,03,211
Legal & Professional Fees	13,34,518	15,51,443
Honorarium Expenses	2,97,500	90,000
Security Expenses	12,01,513	15,06,140
Site Expenses	3,91,664	5,77,202
Motor Car Expenses	12,98,022	15,01,567
Traveling and Conveyance	3,24,589	2,23,411
Telephone Charges	7,23,673	5,94,043
Office Maintenance	1,80,760	2,02,101
Power and Fuel	11,80,974	9,83,751
Repair & Maintenance	2,18,130	1,73,623
Computer Maintenance	1,20,278	1,70,376
Insurance Charges	11,26,282	9,20,082
Business Promotion Expenses	33,15,998	1,91,627
Printing and Stationery	2,07,579	2,30,064
Advertisements	4,92,548	10,18,265
Clearing & Forwarding Charges	1,15,920	1,43,020
Donations	12,000	1,36,500
Deferred Revenue Exp Written Off	40,000	40,000
Festival Expenses	95,751	70,220
<u>Auditor's Remuneration:-</u>		
As Auditors	1,08,090	1,08,090
For Other Services	35,000	20,169
Interest on Late Payment of TDS/Service Tax	23,109	3,799
Listing, Depository & Other Related Charges	70,248	66,932
Water Charges	1,09,400	88,400
Miscellaneous Expenses	1,28,814	3,90,938
<b>Total</b>	<b>2,43,19,812</b>	<b>2,56,87,134</b>

**2.24 Earnings Per Share**

Particulars	31.03.14	31.03.13
Profit / (Loss) after Tax	75,14,676	45,00,438
Weighted average Number of Shares outstanding during the year. (Face Value Rs.10 per share)	37,29,000	10,21,167
<b>Basic Earnings/(Loss) Per share</b>	<b>2.02</b>	<b>4.41</b>

Company do not have any potential dilutive equity shares, hence dilutive earning per share is same as earning per share.

**2.25 Change in Accounting Policy**

During the year under consideration Group has change retrospectively its accounting policy relating to amortisation of Goodwill on Consolidation from amortising Goodwill on consolidation over a period of five years to no amortisation of goodwill and test the goodwill for impairment at periodic basis as AS 21 does not specifically provide for amortisation of Goodwill. Had the same practice of amortising goodwill on consolidation over a period of five year would have been followed consolidated profit for the year would have been lower by Rs.1,20,47,097/- and consequently Reserves and surplus would have been lowered by Rs.1,20,47,097/-.

**2.26 Segment Reporting**

The company operates in a single line of business i. e. Real Estate and Real Estate Development and also in a single geographic environment within India, Hence there is no reportable segment information with respect to provision of Accounting Standard 17 "Segment Reporting".

**2.27 Related Party Disclosures****a) List of Related Parties & Relationship:-****i. Associate/Enterprises where control/significant influence exists :-**

Zodiac Homemakers Private Limited  
 Zodiac Capital Private Limited  
 Priya Slum Projects Private Limited  
 Zodiac Book Mfg Co.

**ii. Key Management Personnel (KMP) :-**

Ramesh V Shah  
 Jimit Ramesh Shah

**iii. Relatives of KMP :-**

Pushpa R Shah  
 Yesha R Shah  
 Sunita J Shah  
 Ramesh V Shah HUF

**b) Transaction with Related Parties:-**

Nature of Transaction	Associate/ Enterprises	KMP	Relatives of KMP	Total
Short Term Loan Taken	21,46,980	3,15,63,856	3,80,57,691	7,17,68,527
P.Y.	(10,55,058)	(6,07,18,817)	(5,70,96,674)	(11,88,70,549)
Repayment of Short Term Loan Taken	10,15,000	2,64,11,143	4,25,98,000	7,00,24,143
P.Y.	(71,96,974)	(7,11,00,276)	(11,31,82,725)	(19,14,79,975)
Balance O/s. of Short Term Loan Taken	22,69,201	3,31,88,836	1,23,67,532	4,78,25,569
P.Y.	(11,37,221)	(2,80,36,123)	(1,69,07,841)	(4,60,81,185)
Interest Paid	2,65,534	40,24,230	23,86,693	66,76,457
P.Y.	(2,57,328)	(61,26,947)	(97,62,972)	(1,61,47,247)
Preferential Allotment of Shares	-	-	-	-
P.Y.	-	(3,47,10,000)	(2,47,50,000)	(5,94,60,000)
Director Remuneration	-	22,50,000	-	22,50,000
P.Y.	-	(15,00,000)	-	(15,00,000)
Business Promotion Expenses	20,90,550	-	-	20,90,550
P.Y.	-	-	-	-

**Note: Figures in bracket relates to the previous year**

**2.28 Contingent Liabilities**

Particulars	31.03.14	31.03.13
<b>Income Tax Demand</b>	19,90,000	19,90,000

Income Tax Demand Comprise demand from Income Tax Department for Payment of Penalty U/s 271D. The matter is pending before the Income Tax Appellate Tribunal (ITAT).

**2.29 Disclosures required U/s 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

There are no dues outstanding to Micro and Small Enterprises.

**2.30 Previous Year Figures**

Previous year's figures have been re-grouped and / or reclassified wherever necessary to made comparable with current year.

**For A. R. Sodha & CO.**  
Chartered Accountants

CA. Dipesh R. Sangoi  
Partner  
Membership No. : 124295  
Firm Reg. No.: 110324W  
Place:- Mumbai  
Date:- 30.05.2014

**For Zodiac Ventures Limited**

Ramesh V. Shah  
(Chairman)

Jimit R. Shah  
(Managing Director)

The details of subsidiary in terms of General circular No. 2/2011 dated 8th February, 2011, issued by Government of India, Ministry of Corporate Affairs u/s 212(8) of the Companies Act, 1956, is as under :

<b>Name of the Company</b>	<b>Zodiac Developers Private Limited</b>
<b>Share Capital</b>	<b>1,02,00,000</b>
<b>Reserves and Surplus</b>	<b>11,79,33,719</b>
<b>Total Assets</b>	<b>55,97,01,2665</b>
<b>Total Liabilities</b>	<b>55,97,01,2665</b>
<b>Investments</b>	<b>1,00,000</b>
<b>Turnover</b>	<b>-</b>
<b>Profit Before Taxation</b>	<b>24,14,138</b>
<b>Provisions for Taxation including Deferred Tax</b>	<b>5,94,990</b>
<b>Profit after Taxation</b>	<b>18,19,149</b>
<b>Proposed Dividend</b>	<b>-</b>

The annual accounts of subsidiaries with related detailed information are available for inspection by the members at the corporate office of the company.

## INDEPENDENT AUDITOR'S REPORT

### **To the Members of Zodiac Ventures Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Zodiac Venture Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For A. R. SODHA & CO.**  
**Chartered Accountants,**  
**FRN: 110324W**

**Dipesh R. Sangoi**  
**Partner.**  
**M. No. 124295**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May 2014**

**ANNEXURE TO THE AUDITORS REPORT ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

**Annexure referred to in Paragraph 3 of our report of even date**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. According to information and explanations given to us by the management and records furnished before us, the Company is not having any Fixed Assets, Accordingly Clause 4(i)(a), (b), and (c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
2. According to information and explanation given to us by the management and records furnished before us, the Company is not having any Inventory, Accordingly Clause 4 (ii)(a), (b), and (c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
3.
  - a. According to the information and explanations given to us and on the basis of records furnished before us, the company has granted loan to its subsidiary company during the year. The maximum amount involved during the year is `42,21,995/- and the yearend balance of loan was `7,93,951.
  - b. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which loans have been given are prima facie not prejudicial to interest of the company.
  - c. According to the information and explanation given to us the said loan and interest thereon is repayable on demand and has been repaid as and when demanded.
  - d. According to the information and explanation given to us there is no overdue with respect to principal and interest.
  - e. According to the information and explanation given to us and records furnished before us for verification, during the year under consideration the company has taken interest free unsecured loan from one party covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is `28,18,551/- and the yearend balance is `24,76,726/-.
  - f. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which loans have been taken are prima facie not prejudicial to interest of the company
  - g. According to the information and explanation given to us the said loan and interest thereon is repayable on demand and has been repaid as and when demanded.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. Neither we have come across nor have we been informed of any continuing failure to correct major weakness in the internal control.
5.
  - a. In our opinion and according to the information and explanation given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
  - b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, in our opinion, are made at price which is reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditor's Report) Order, 2003 is not applicable.
7. According to information and explanations given to us no internal audit has been carried out during the year considering the nature and volume of the activity.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products dealt with by the company.
9.
  - a. *According to the information and explanations given to us and records examined by us, the Company has generally delayed depositing of undisputed statutory dues with respect to Income Tax, Tax Deducted at Source, Dividend Distribution Tax and Service tax.*

- b. According to information and explanation given to us and records examined by us, Dividend Distribution Tax, Income Tax and Tax Deducted at source amounting to Rs.1,90,124/-, Rs.12,81,830/- and Rs.62,800/- respectively are outstanding beyond six months from the date they become payable at the end of the year.
- c. According to information & explanation given to us and the records of the Company examined by us, there are no statutory dues which were not deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. As per the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions during the year. The company has not borrowed any sums through debentures.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not chit fund, nidhi, mutual fund, and societies. Accordingly clause 4(xiii) of Companies (Auditor's Report) Order, 2003 is not applicable.
14. According to Information and explanation given to us and records examined by us, in our opinion the company has maintained proper records and contracts with respect to investments and has made timely entries therein of investment in shares. Investments are held in the name of the company.
15. According to information and explanations provide to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly Clause 4(xv) of Companies (Auditor's Report) Order, 2003 is not applicable.
16. According to information and explanations given to us by the management and records furnished before us, during the year company has not taken any term loan. Accordingly clause 4(xvi) of Companies (Auditor's Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and overall examination of records furnished before us, funds raised on short-term basis have not been prima-facie used for long-term investment.
18. During the period, the company has not made allotment of shares on preferential basis to parties and companies covered in the register maintained under section 301 of the Act. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable.
20. The company has not raised any money by public issue during the year under audit. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the period nor we have been informed of such instances by the management.

**For A. R. SODHA & CO.**  
**Chartered Accountants,**  
**FRN: 110324W**

**Dipesh R Sangoi**  
**Partner.**  
**M. No. 124295**

**Place: Mumbai.**  
**Date: 30<sup>th</sup> May 2014**



**ZODIAC VENTURES LIMITED**  
**BALANCE SHEET AS AT 31.03.2014**

Particulars	Note No.	As at 31/03/2014	As at 31/03/2013
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	2.01	3,72,90,000	3,72,90,000
(b) Reserves and Surplus	2.02	7,74,56,394	7,49,93,430
<b><u>(2) Non-Current Liabilities</u></b>			
<b><u>(3) Current Liabilities</u></b>			
(a) Short-Term Borrowings	2.03	24,76,726	47,335
(b) Trade Payables		5,84,590	3,49,412
(c) Other Current Liabilities	2.04	19,06,312	12,94,226
(d) Short-Term Provisions	2.05	40,18,825	23,04,263
		<b>12,37,32,847</b>	<b>11,62,78,666</b>
<b>II.ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Non-Current Investments	2.06	11,18,00,000	11,18,00,000
(b) Long term Loans and Advances	2.07	6,39,000	6,39,000
<b><u>(2) Current Assets</u></b>			
(a) Trade Receivables	2.08	1,01,86,560	-
(b) Cash and Bank Balances	2.09	1,48,592	4,89,510
(c) Short-Term Loans and Advances	2.10	9,58,695	33,50,156
		<b>12,37,32,847</b>	<b>11,62,78,666</b>
<b>Significant Accounting Policies And Notes On Accounts</b>			
	1 & 2	-	-
<b>As per our report attached</b>		<b>For Zodiac Ventures Limited</b>	
<b>For A. R. Sodha &amp; CO.</b>			
<b>Chartered Accountants</b>			
		<b>Ramesh V. Shah</b>	
		<b>(Chairman)</b>	
<b>CA. Dipesh R. Sangoi</b>			
<b>Partner</b>			
<b>Membership No. : 124295</b>			
<b>Firm Reg. No.: 110324W</b>			
<b>Place:- Mumbai</b>		<b>Jimit R. Shah</b>	
<b>Date:- 30.05.2014</b>		<b>(Managing Director)</b>	

**ZODIAC VENTURES LIMITED**
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

Particulars	Note No.	For The year ended 31/03/2014	For The year ended 31/03/2013
<b><u>INCOME</u></b>			
Revenue from Operations	2.11	1,21,10,000	1,22,00,000
Other Income	2.12	3,13,284	2,80,336
<b>Total Revenue</b>		<b>1,24,23,284</b>	<b>1,24,80,336</b>
<b><u>EXPENDITURE</u></b>			
Employee Benefit Expense	2.13	35,73,235	32,53,926
Other Expenses	2.14	20,60,800	20,14,012
<b>Total Expenses</b>		<b>56,34,035</b>	<b>52,67,938</b>
<b>Profit Before Tax</b>		<b>67,89,249</b>	<b>72,12,398</b>
<b><u>Tax Expense:</u></b>			
Current tax		(19,91,928)	(22,91,396)
Deferred tax		-	-
Tax in Respect of Earlier Years		(3,89,260)	-
<b>Profit for the Year</b>		<b>44,08,061</b>	<b>49,21,002</b>
<b>Earnings Per Equity Share of Face Value of Rs. 10 each</b>			
(1) Basic	2.15	1.18	4.82
(2) Diluted	2.15	1.18	4.82
<b>Significant Accounting Policies And Notes On Accounts 1 &amp; 2</b>			
<b>As per our report attached</b>			
<b>For A. R. Sodha &amp; CO.</b>		<b>For Zodiac Ventures Limited</b>	
<b>Chartered Accountants</b>			
<b>CA. Dipesh R. Sangoi</b>		<b>Ramesh V. Shah</b>	
<b>Partner</b>		<b>(Chairman)</b>	
<b>Membership No. : 124295</b>			
<b>Firm Reg. No.: 110324W</b>			
<b>Place:- Mumbai</b>		<b>Jimit R. Shah</b>	
<b>Date:- 30.05.2014</b>		<b>(Managing Director)</b>	

**ZODIAC VENTURES LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

	Particulars	For The year ended 31/03/2014	For The year ended 31/03/2013
<b>A</b>	<b><u>Cash flow from Operating Activities:</u></b>		
	Net Profit before Tax as per Statement of Profit and Loss	67,89,249	72,12,398
	Less : Interest Received	(3,13,284)	(2,80,336)
	Operating Cash Profit before Working Capital Changes	64,75,965	69,32,062
	<b><u>Adjusted for:</u></b>		
	Increase/(Decrease) in Trade and Other Payables	9,21,511	12,09,869
	(Increase)/Decrease in Trade and Other Receivables	(77,95,099)	(11,70,994)
	Cash Generated from Operations	(3,97,623)	69,70,937
	Direct Taxes Paid	(13,17,848)	(14,30,116)
	Net Cash Inflow/(Outflow) in the course of Operating Activities	<b>(17,15,471)</b>	<b>55,40,821</b>
<b>B</b>	<b><u>Cash flow from Investing Activities:</u></b>		
	Investment in Subsidiary	-	(9,10,00,000)
	Interest Received	3,13,284	2,80,336
	Net Cash Inflow / (Outflow) in the course of Investing Activities	<b>3,13,284</b>	<b>(9,07,19,664)</b>
<b>C</b>	<b><u>Cash flow from Financing Activities:</u></b>		
	Proceeds From Issue of Share Capital Including Premium	-	8,86,20,000
	Share Issue Expenditure	(2,00,000)	(12,67,420)
	Proceeds/(Repayment) of Short-Term Borrowings (Net)	24,29,391	(11,11,993)
	Dividends paid (including Dividend Distribution Tax)	(11,18,700)	(11,70,941)
	Net Cash (Outflow) in the course of Financing Activities	<b>11,10,691</b>	<b>8,50,69,646</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(2,91,496)</b>	<b>(1,09,197)</b>
	Opening balance of Cash and Cash equivalents	3,47,865	4,57,062
	<b>Closing balance of Cash and Cash Equivalents (Refer Note 2.09)</b>	<b>56,369</b>	<b>3,47,865</b>

For A. R. Sodha & CO.  
Chartered Accountants

CA. Dipesh R. Sangoi  
Partner  
Membership No. : 124295  
Firm Reg. No.: 110324W  
Place:- Mumbai  
Date:- 30.05.2014

For Zodiac Ventures Limited

Ramesh V. Shah  
(Chairman)

Jimit R. Shah  
(Managing Director)

**ZODIAC VENTURES LIMITED****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****NOTE 1:- SIGNIFICANT ACCOUNTING POLICIES****1.01 Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except as specifically stated otherwise.

**1.02 Use of Estimate**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialised.

**1.03 Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The Following specific recognition criteria must also be met before revenue is recognized:-

Professional Fees for rendering architecture service is recognized on completion of Service and as per the terms of the Arrangement. Brokerage Income is recognized on completion of service. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**1.04 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

**1.05 Employee Benefits**

The Statutory enactments relating to payment of Provident Fund, ESIC and Gratuity to employees are not applicable to the company. The company does not have any scheme for retirement benefits for its employee and as such no provision towards retirement benefits to employees is considered necessary. Short term employee benefits in the form of leave encashment and Bonus is provided on accrual basis.

**1.06 Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**1.07 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 1.08 Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### NOTE 2:- NOTES ON ACCOUNTS

#### 2.01 Share Capital

Particulars	31.03.14	31.03.13
<b>Authorised Share Capital</b>		
2,00,00,000 (P.Y.2,00,00,000) Equity Shares of Rs. 10/- each.	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
<b>Issued, Subscribed and Paid-Up</b>		
37,29,000 (P.Y. 37,29,000) Equity Shares of Rs. 10/- each, Fully Paid up	3,72,90,000	3,72,90,000
<b>Total</b>	<b>3,72,90,000</b>	<b>3,72,90,000</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 0.40 (31 March 2013 Rs. 0.30)

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

#### Reconciliation of shares outstanding at the beginning and at the end of the reporting period:-

Particulars	31.03.14		31.03.13	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the Period	37,29,000	3,72,90,000	7,75,000	77,50,000
Add:- Issued During the Period	-	-	29,54,000	2,95,40,000
Outstanding at the end of the period	<b>37,29,000</b>	<b>3,72,90,000</b>	<b>37,29,000</b>	<b>3,72,90,000</b>

#### Details of shareholder holding more than 5% shares in the Company:-

Name of the shareholder	31.03.14		31.03.13	
	Numbers	%	Numbers	%
Ramesh V. Shah	12,59,232	33.77%	11,03,000	29.58%
Pushpa R. Shah	5,25,000	14.08%	5,25,000	14.08%
Jimit R. Shah	2,76,232	7.41%	1,20,000	3.22%

**2.02 Reserves And Surplus**

Particulars	31.03.14	31.03.13
<b><u>Securities Premium</u></b>		
Balance as per last Financial Statements	6,23,98,310	45,85,730
Add : 29,54,000 Shares Issued @ 20/- Per Share Premium	-	5,90,80,000
Less : Share Issue Expenditure	(2,00,000)	(12,67,420)
<b>Closing Balance</b>	<b>6,21,98,310</b>	<b>6,23,98,310</b>
<b><u>General Reserve</u></b>		
Balance as per last Financial Statements	2,52,462	2,52,462
Add : Transfer from Profit and Loss Statement	-	-
<b>Closing Balance</b>	<b>2,52,462</b>	<b>2,52,462</b>
<b><u>Surplus (Deficit) in the statement of Profit &amp; Loss A/c</u></b>		
Balance as per last Financial Statements	1,23,42,658	87,30,480
Add : Profit for the year	44,08,061	49,21,002
Less : Proposed Dividend	(14,91,600)	(11,18,700)
Less : Dividend Distribution tax	(2,53,497)	(1,90,124)
<b>Closing Balance</b>	<b>1,50,05,622</b>	<b>1,23,42,658</b>
<b>Total</b>	<b>7,74,56,394</b>	<b>7,49,93,430</b>

**2.03 Short Term Borrowings**

Particulars	31.03.14	31.03.13
<b><u>Unsecured</u></b>		
<b><u>Loans Repayable on Demand</u></b>		
From Related Parties	24,76,726	47,335
<b>Total</b>	<b>24,76,726</b>	<b>47,335</b>

**2.04 Other Current Liabilities**

Particulars	31.03.14	31.03.13
Unpaid dividend	92,223	1,41,645
Withholding and Other Taxes Payable	18,14,089	11,52,581
<b>Total</b>	<b>19,06,312</b>	<b>12,94,226</b>

**2.05 Short-Term Provisions**

Particulars	31.03.14	31.03.13
<b><u>Provision for Employee Benefits</u></b>		
Bonus Payable	1,27,694	1,02,869
<b><u>Others</u></b>		
Provision for Income Taxes	19,55,910	8,92,570
Provision for Proposed Dividend	14,91,600	11,18,700
Provision for Dividend Distribution Tax	4,43,621	1,90,124
<b>Total</b>	<b>40,18,825</b>	<b>23,04,263</b>

**2.06 Non Current Investments**

Particulars	31.03.14	31.03.13
<b><u>Trade investments:-</u></b>		
<b><u>Un-Quoted Equity Instruments</u></b>		
<b><u>Investment in Subsidiaries:-</u></b>		
5,20,000 (P.Y. 5,20,000) (FV Rs. 10) Shares of Zodiac Developers Private Limited Allotted at Rs. 300 per share, amount Paid Rs. 215 (P.Y. Rs. 215) per Share, Balance is payable on call.	11,18,00,000	11,18,00,000
<b>Total</b>	<b>11,18,00,000</b>	<b>11,18,00,000</b>

**2.07 Long-Term Loans And Advances**

Particulars	31.03.14	31.03.13
<b><u>Unsecured, Considered Good :-</u></b>		
<b><u>Security Deposit:-</u></b>		
Rental Deposits	6,39,000	6,39,000
<b>Total</b>	<b>6,39,000</b>	<b>6,39,000</b>

**2.08 Trade Receivable**

Particulars	31.03.14	31.03.13
<b><u>Unsecured, Considered Good :-</u></b>		
Over Six Months	-	-
Others	1,01,86,560	-
<b>Total</b>	<b>1,01,86,560</b>	<b>-</b>

**2.09 Cash And Bank Balances**

Particulars	31.03.14	31.03.13
<b><u>(i) Cash and Cash Equivalents</u></b>		
Balances with Banks	43,905	20,853
Cash-on-Hand	12,464	3,27,012
	<b>56,369</b>	<b>3,47,865</b>
<b><u>(ii) Other Bank Balances</u></b>		
Unclaimed Dividend Account	92,223	1,41,645
	<b>92,223</b>	<b>1,41,645</b>
<b>Total</b>	<b>1,48,592</b>	<b>4,89,510</b>

**2.10 Short-Term Loans And Advances**

Particulars	31.03.14	31.03.13
<b><u>Unsecured, Considered Good :-</u></b>		
<b><u>Loans and Advances to Related Parties</u></b>		
Loan to Subsidiary	7,93,951	32,06,995
<b><u>Others:-</u></b>		
Advance to Staff	1,64,744	1,43,161
<b>Total</b>	<b>9,58,695</b>	<b>33,50,156</b>

Note: Short-Term Loans And Advances include Amounts due From

Particulars	31.03.14	31.03.13
<b><u>Private Companies in which any Director is a Director or Member</u></b>		
Zodiac Developers Private Limited	7,93,951	32,06,995
<b>Total</b>	<b>7,93,951</b>	<b>32,06,995</b>

**2.11 Revenue From Operations**

Particulars	31.03.14	31.03.13
<b><u>Sale of Services</u></b>		
Architect Fees	1,00,00,000	1,22,00,000
Commission Income	21,10,000	-
<b>Total</b>	<b>1,21,10,000</b>	<b>1,22,00,000</b>

**2.12 Other Income**

Particulars	31.03.14	31.03.13
Interest Received	3,13,284	2,80,336
<b>Total</b>	<b>3,13,284</b>	<b>2,80,336</b>

**2.13 Employee Benefit Expense**

Particulars	31.03.14	31.03.13
Salary & Bonus	35,44,716	31,57,088
Staff Welfare Expenses	28,519	17,038
Leave Salary	-	79,800
<b>Total</b>	<b>35,73,235</b>	<b>32,53,926</b>



**2.14 Other Expenses**

Particulars	31.03.14	31.03.13
Rent	14,05,800	13,41,900
Rates and Taxes, excluding Taxes on Income	14,445	-
Legal & Professional Fees	1,82,750	3,03,500
Advertisement Expenses	33,047	-
Listing, Depository & Other Related Charges	70,248	66,932
Power and Fuel	1,90,070	1,84,510
<u>Auditor's Remuneration:-</u>		
As Auditors	80,000	80,000
For Other Services	35,000	5,000
Interest on Late Payment of TDS/Service Tax	23,109	3,799
Miscellaneous Expenses	26,331	28,371
<b>Total</b>	<b>20,60,800</b>	<b>20,14,012</b>

**2.15 Earnings Per Share**

Particulars	31.03.14	31.03.13
Profit / (Loss) after Tax	44,08,061	49,21,002
Weighted average Number of Shares outstanding during the year. (Face Value Rs.10 per share)	37,29,000	10,21,167
<b>Basic Earnings/(Loss) Per share</b>	<b>1.18</b>	<b>4.82</b>

Company do not have any potential dilutive equity shares, hence dilutive earning per share is same as earning per share.

**2.16 Segment Reporting**

The company operates in a single line of business i.e. Real Estate and Real Estate Development and also in a single geographic environment within India, Hence there is no reportable segment information with respect to provision of Accounting Standard 17 "Segment Reporting".

**2.17 Disclosure as Per Clause 32 of the Listing Agreements with the Stock Exchanges**

Loans and Advances in the Nature of Loans Given to subsidiaries/ associates and Firm/Companies in which Directors are interested

Particulars	Amount Outstanding	Maximum balance During the Year	Shares held by Loanee in the Company	
			No. of Shares outstanding at the year-end	Maximum No. of Shares held during the year
<b><u>Subsidiaries</u></b>				
Zodiac Developers Private Limited	7,93,951	42,21,995	-	-
P.Y.	(32,06,995)	(59,04,693)	(-)	(-)

**Note: There is no repayment schedule in respect of this loan. It is repayable on demand.**

**Note: Figures in bracket relates to the previous year**

## 2.18 Related Party Disclosures

### a) List of Related Parties where control exists and Related Parties with whom transactions have taken place and Relationships:-

#### i. Subsidiary Company :-

Zodiac Developers Private Limited

#### ii. Key Management Personnel (KMP) :-

Ramesh V Shah

Jimit Ramesh Shah

#### iii. Relative of Key Management Personnel (Relative of KMP) :-

Pushpa R. Shah

Sunita J Shah

Yesha R Shah

### b) Transaction with Related Parties:-

Nature of Transaction	Subsidiary Company	KMP	Relative of KMP	Total
Short Term Loan Taken	-	37,09,391	-	37,09,391
P.Y.	-	(43,78,007)	-	(43,78,007)
Repayment of Short Term Loan Taken	-	12,80,000	-	12,80,000
P.Y.	-	(54,90,000)	-	(54,90,000)
Balance O/s. of Short Term Loan Taken	-	24,76,726	-	24,76,726
P.Y.	-	(47,335)	-	(47,335)
Short-term Loan Given	25,56,956	-	-	25,56,956
P.Y.	(72,50,000)	-	-	(72,50,000)
Repayment of Short Term Loan Given	49,70,000	-	-	49,70,000
P.Y.	(56,25,000)	-	-	(56,25,000)
Balance O/s of Short-term Loan Given	7,93,951	-	-	7,93,951
P.Y.	(32,06,995)	-	-	(32,06,995)
Interest Received	3,13,284	-	-	3,13,284
P.Y.	(2,80,336)	-	-	(2,80,336)
Preferential Allotment of Shares	-	-	-	-
P.Y.	-	(3,47,10,000)	(2,47,50,000)	(5,94,60,000)
Capital Contribution	-	-	-	-
P.Y.	(9,10,00,000)	-	-	(9,10,00,000)

Note: Figures in bracket relates to the previous year

**2.19 Contingent Liabilities And Commitments (to the Extent Not Provided For)**

Particulars	31.03.14	31.03.13
<b><u>Commitments :</u></b>		
Uncalled Liability on Shares Partly Paid of Subsidiary Company (Zodiac Developers Private Limited)	4,42,00,000	4,42,00,000
<b>Total</b>	<b>4,42,00,000</b>	<b>4,42,00,000</b>

**2.20 Disclosures required U/s 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

There are no dues outstanding to Micro and Small Enterprises.

**2.21 Previous Year Figures**

Previous year's figures have been re-grouped and / or reclassified wherever necessary to made comparable with current year.

**For A. R. Sodha & CO.**  
**Chartered Accountants**

**For Zodiac Ventures Limited**

**CA. Dipesh R. Sangoi**  
**Partner**  
**Membership No. : 124295**  
**Firm Reg. No.: 110324W**  
**Place:- Mumbai**  
**Date:- 30.05.2014**

**Ramesh V. Shah**  
**(Chairman)**

**Jimit R. Shah**  
**(Managing Director)**



### ATTENDANCE SLIP

DP. Id.		Regd. Folio No.	
Client Id		No. of Shares held	

NAME AND ADDRESS OF THE SHAREHOLDER

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the **33<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company being held on Tuesday the 30<sup>th</sup> September, 2014 at 12.00 Noon at registered office situated at 404, Dev Plaza, 68, S.V. road, Andheri (West), Mumbai – 400058.

.....  
 Note: Please complete this and hand it over at the entrance of the hall.  
 Signature

Member's/Proxy's

404, Dev Plaza, 68, S V Road, Andheri (W), Mumbai 400 058, INDIA • T: +91 22 4223 3333 • F: +91 22 4223 3300  
 info@zodiacventures.in • www.zodiacventures.in • CIN: L45209MH1981PLC023923



### PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*



Name of the member (s) :		E-mail Id :	
Registered address :		Folio No/ Client Id:	
		DP Id	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual general meeting of the company, to be held on the Tuesday, 30<sup>th</sup> September, 2014 at 12.00 Noon at the registered office of the Company situated at 404, Dev Plaza, 68, S.V. road, Andheri (West), Mumbai 400058 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against
1.	Adoption of the Financial Statements of the Company for the year ended 31 <sup>st</sup> March 2014 including the audited Balance sheet as at 31 <sup>st</sup> March 2014 and the statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mrs. Sunita Shah (DIN: 03099290), as a Director		
3.	Declaration of Dividend on the Equity Shares of the Company for the Financial Year 2013-14		

4.	Appointment of Auditors to hold office from the conclusion of 33rd Annual General Meeting until conclusion of 38th Annual General Meeting of the Company and fixing their remuneration		
5.	Appointment of Mr. Ritwik Sheth (DIN: 06899744) as an Independent Director		
6.	Appointment of Mr. Aakash Parikh (DIN: 02582311) as an Independent Director		
7.	Appointment of Mr. Anil Ghagare (DIN: 03197982) as an Independent Director		
8.	Approving the Borrowing power of the Board		
9.	Re-appointment of Mr. Jimit Shah (DIN: 01580796) as a Managing Director of the Company and fixing his remuneration		
10.	Re-appointment of Mr. Ramesh Shah (DIN: 01580767) as a Whole-Time Director of the Company		
11.	Consent to enter into arrangement with Zodiac Developers Private Limited		

Signed this..... day of..... 2014

Signature of shareholder \_\_\_\_\_

Affix Revenue Stamp
---------------------------

\_\_\_\_\_  
Signature of First Proxy holder\_\_\_\_\_  
Signature of Second Proxy holder\_\_\_\_\_  
Signature of Third Proxy holder**Note:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- \*\*2) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.