

ZODIAC CLOTHING COMPANY LIMITED

Registered Office: Apte Properties, 10/76, Off Dr. E. Moses Road, Worli, Mumbai - 400 018

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27TH Annual General Meeting of Zodiac Clothing Company Limited will be held on Wednesday, the 10th August, 2011 at 3.30 p.m. at Nehru Centre, Hall of Culture, Dr. Annie Besant Road, Worli, Mumbai 400 018, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Dr. S. Abid Hussain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. L. Apte, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. S. M. Datta, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to 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 M/s Deloitte Haskins and Sells, Chartered Accountants (Registration No. 117366W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) and other applicable provisions if any, of the Companies Act, 1956 and subject to the approval of the Central Government as may be required, the company hereby accords its consent to Mr. Awais A. Noorani, a relative of few directors of the company, for re-appointment and continuing to hold an office or place of profit in the company with effect from 1st February 2012 as a 'Vice-President – International Sales & Sourcing' without any break in continuity of his service until expiry of the contract of appointment viz. upto 31st January 2017, upon the terms and conditions and remuneration, as setout

in the accompanying Explanatory Statement under Section 173(2) of the Companies Act, 1956."

"RESOLVED FURTHER THAT the remuneration payable to Mr. Awais A. Noorani would be on a time scale basis to be revised annually on the 1st of April, w.e.f April 1, 2012 onwards by an amount not exceeding 40% of the total remuneration last drawn, for the residual term of his appointment at the discretion of the Board of Directors of the Company and subject to the performance of Mr. Awais A. Noorani."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to represent the Company before the Central Government and to agree to or accept any variations in the terms of the appointment as may be suggested by the Central Government."

"RESOLVED FURTHER THAT Mr. M.Y. Noorani, Mr. A.Y. Noorani and Mr. S. Y. Noorani, Directors, be and are hereby individually authorized to do all such acts, deeds and things as may be deemed necessary, and are empowered to authorize such other officials as may be necessary for giving effect to the above resolution"

By order of the Board of Directors

OMPRAKASH SINGH
Company Secretary

Place : Mumbai

Date : June 28, 2011

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.** In order to be valid, proxies duly stamped, should be lodged with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the company will remain closed from Monday, July 11, 2011 to Friday, July 15, 2011. (both days inclusive).
3. The dividend as may be declared shall be payable to members of the company whose names appear:
 - a) As Beneficial Owners as at the end of business hours on July 9, 2011, as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., in respect of the shares held in electronic form; and
 - b) As members on the Register of Members of the Company as at July 9, 2011.

4. Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the Electronic Clearing Services (ECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation the company proposes to implement the ECS facility. Members are requested to provide the Company with ECS mandate for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to coordinate with the bankers only on receipt of the necessary information. The main information required therein is the type of account, name of the bank and the account number. It should be signed by all the holders, as per the specimen signature recorded with the Company / Depository Participant.
5. Members are hereby informed that dividends which remain unpaid / unencashed over a period of 7 years, have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Section 205 A and 205 C of the Companies Act, 1956. It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends that have been transferred to the credit of the Investor Education and Protection fund of the Central Government under the provisions of Section 205 C of the Companies Act, 1956. In view of the above, the shareholders are advised to send their unencashed dividend warrants to the Registered Office of the company for revalidation/issue of demand drafts, and encash them before the due date for transfer to the Investor Education and Protection Fund. **Unclaimed Equity Dividend for the financial year 2003-04 will fall due for transfer to the said Fund on November 4, 2011. It may kindly be noted that once the unclaimed dividend is transferred to the above said Fund of the Central Government, no claim shall lie in respect thereof.**
6. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along-with relevant share certificates to the company's Registrar & Share Transfer Agents, M/s. Karvy Computershare Pvt. Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 • Tel No. 040-44655000 • Fax No. 040-23420814 • E-mail : einward.ris@karvy.com
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents, M/s Karvy Computershare Private Limited.
8. Members holding shares in physical segment are requested to notify change in their address/status, if any, immediately to the Company's Registrar & Share Transfer Agents, M/s. Karvy Computershare Pvt. Ltd., at the address mentioned in Point No. 6.
9. Members are requested to:
 - (i) Quote Registered Folio / Client ID and DP ID in all their correspondence.
 - (ii) Bring the copy of the Annual Report and the Attendance Slip with them to the Annual General Meeting.
 - (iii) Send queries related to accounts, to the Company atleast 10 days before the date of the Meeting.
 - (iv) To register their e-mail address with Company's Registrar & Share Transfer Agents, M/s. Karvy Computershare Pvt. Ltd, to enable the Company to send the notices, documents including Annual Reports by e-mail.
10. Appointment/Reappointment of Directors:
 - A. **Profile of Directors retiring by rotation and offering for re-appointment:**

At the ensuing Annual General Meeting Dr. S. Abid Hussain, Mr. M.L Apte and Mr. S.M Datta retire by rotation and being eligible, offer themselves for re-appointment. Pursuant to Clause 49 of Listing Agreement relating to Code of Corporate Governance, the particulars of the aforesaid Directors are given below:

 1. **Dr. S. Abid Hussain**

Dr. S. Abid Hussain is a retired I.A.S. officer and the former Secretary, Government of India, Ministry of Commerce, Ministry of Heavy Industry. His expertise lies in international trade, commerce and administration. He was the Special Rapporteur of the U.N. Commission of Human Rights Geneva, Chairman of CSIR, Vice Chairman of the Rajiv Gandhi Foundation and Chancellor of the Central University, Hyderabad. He was also a member of the Planning Commission and the Ambassador of India to the United States of America. He is currently the Chairman of Nagarjuna Oil Corporation Limited. He currently Director of G.V.K. Industries Limited, G.V.K. Taj Hotels & Resorts Limited, GVK Power & Infrastructure Limited, Wockhardt Limited and Shree Cement Limited.

COMMITTEE MEMBERSHIP

Name of the Company	Position Held
<u>AUDIT COMMITTEE</u>	
G.V.K. Industries Limited	Member
G.V.K. Taj Hotels & Resorts Limited	Member
Shree Cement Limited	Member
Wockhardt Limited	Member
<u>SHAREHOLDERS & INVESTOR GRIEVANCES COMMITTEE</u>	
Shree Cement Limited	Member

The details of position of Trustee held by Dr. S. Abid Hussain in the following companies:

Name of the Company	Position Held
Morgan Stanley Asset Management (I) Limited	Principal Trustee

He holds 6358 equity shares of the Company in his name as on March 31, 2011.

2. Mr. M.L. Apte

Mr. M. L. Apte, is an Arts graduate from Elphinston College, Bombay. He has very wide knowledge and experience in business over the past many years. He is also actively involved in Sports activities viz. in Cricket.

He is former Sheriff of Mumbai and is also the former President of Maharashtra Chamber of Commerce, Bombay Chamber of Commerce & Industry, Cricket Club of India, Indian Sugar Mills Association, Member of the Indian Cotton Mills Federation and former Chairman of the Textiles Committee. He is currently a Director of Apte Amalgamations Limited, Grasim Industries Limited, Tata Asset Management Limited, Bajaj Hindustan Limited, Standard Industries Limited, The Bombay Burmah Trading Corporation Limited, The Raja Bahadur International Limited and Kulkarni Power Tools Limited.

The details of Committee memberships of Mr. M.L Apte are as follows:

Name of the Company	Position Held
<u>AUDIT COMMITTEE</u>	

Grasim Industries Limited	Member
The Bombay Burmah Trading Corporation Limited	Member
Standard Industries Limited	Member

Name of the Company	Position Held
<u>SHAREHOLDERS / INVESTOR GRIEVANCES COMMITTEE</u>	

The Bombay Burmah Trading Corporation Limited	Member
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He holds 7650 equity shares of the Company in his name as on March 31, 2011.

3. Mr. S.M. Datta

Mr. S. M. Datta is the former Chairman of Hindustan Lever Limited. He is also the former President of Bombay Chamber of Commerce and Industry and is also the past President of Council of EU Chamber of Commerce. He is currently the Chairman of Castrol India Limited, Philips Electronics India Limited, Tata Trustee Co. Limited, IL & FS Investment Managers Limited, BOC India Limited, Transport Corporation of India Limited, Speciality Restaurants Ltd and Reach (Cargo Movers) Private Limited. He is currently a Director of Peerless Gen. Fin. and Inv. Co. Limited, Peerless

Hotels Ltd, Kansai Nerolac Paints Limited, Atul Limited, Bhoruka Power Corporation Limited, Ambit Holdings Pvt. Limited, Chandra's Chemical Enterprises (Private) Limited and Rabo India Finance Limited.

The details of Committee memberships of Mr. S.M. Datta are as follows:

Name of the Company	Position Held
<u>AUDIT COMMITTEE</u>	
BOC India Limited	Chairman
Tata Trustee Co. Limited	Chairman
Transport Corporation of India Limited	Member
Peerless Gen. Fin. and Inv. Co. Limited	Member
Rabo India Finance Limited	Member
<u>SHAREHOLDERS / INVESTOR GRIEVANCES COMMITTEE</u>	
Castrol India Limited	Chairman
IL & FS Investment Managers Limited	Member

He holds 18750 equity shares of the Company in his name as on March 31, 2011.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956.

Item No.7

Mr. Awais A. Noorani, a relative of few Directors of the company, was appointed as 'Vice-President –Sourcing' of Zodiac Clothing Company Limited with effect from February 1, 2007 at the Annual General Meeting held on August 31, 2006. The said appointment was approved by the members of the Company by way of Special Resolution and also by the Central Government pursuant to Section 314(1B) of the Companies Act, 1956 vide its letter no. 12/191/2006-CL.VII dated January 23, 2007. The said appointment is valid till 31st January 2012.

In view of the excellent performance of Mr. Awais A. Noorani, the Board recommends his appointment as 'Vice-President – International Sales & Sourcing' for a further term of five years w.e.f 1st February 2012 to 31st January 2017. Hence members' approval by way of a Special Resolution under Section 314(1B) is solicited for enabling Mr. Awais A. Noorani to hold the position of 'Vice President - International Sales & Sourcing' in Zodiac Clothing Company Ltd., for the aforesaid period, upon the terms and conditions more particularly setout below:

- The reappointment of Mr. Awais A. Noorani as 'Vice-President – International Sales & Sourcing' in Zodiac Clothing Company Ltd. from the effective date [viz. 1st February, 2012] shall not be an appointment within the meaning of Section 269 of the Companies Act, 1956.

B. The said appointment shall be operative from effective date i.e. 1st February, 2012 till 31st January, 2017. In the meanwhile the appointment (i.e. until 31/01/ 2012) of Mr. Awais Noorani will continue to be governed in accordance with the terms as approved by the Central Government vide their letter no. 12/191/2006-CL.VII dated January 23, 2007.

Mr. Awais A. Noorani shall be entitled to the following remuneration: -

I. Salary

- a. Basic Salary: Rs.1,35,023/- [Rupees One Lac thirty five thousand and twenty three only] per month.
- b. Other allowances including House Rent Allowance, Conveyance Allowance, Educational Allowance, Leave Travel Allowance, Guaranteed Bonus and Special Incentive as may be mutually agreed between the Board of Directors and Mr. Awais A. Noorani, not exceeding Rs.37,69,279/- per annum.

II. Perquisites:

In addition to the salary and allowances payable as above, Mr. Awais A. Noorani will also be entitled to the following perquisites:

- a. Medical reimbursement from time to time upto a limit of Rs.21,000/- per annum, for himself and his family members.
- b. Reimbursement of Periodicals : Rs.16,800/- per annum.
- c. Reimbursement of driver's Salary : Rs.1,17,600/- per annum
- d. Reimbursement of petrol expenses to the tune of Rs.2,10,000/- per annum
- e. Provision of car with maintenance for company's business purposes subject to a maximum of Rs.4,90,000/- per annum.
- f. Telephone at residence will also be provided by the company and reimbursement of official calls will be made by the Company upto Rs.50,400 per annum.
- g. Provision of mobile handset and reimbursement of official calls to the extent of Rs.50,400/- per annum.
- h. Company's contribution to Provident Fund as per rules of the company.
- i. Gratuity at a rate not exceeding half a month's basic salary for each completed year of service.
- j. Medical insurance premium of Rs.10,000/- [Hospitalization only] of Mr. Awais A. Noorani and his family will be undertaken by the Company.

Explanation

For the purpose of the perquisites under (a) & (j) above, family shall mean the spouse and the dependent children. The use of company's car for personal purposes and personal local/long distance calls will be billed by the company to Mr. Awais Noorani.

In addition to the above, Mr. Awais Noorani will be entitled to performance pay of Rs.11,20,000/- per annum, which will be paid at the discretion of the management, keeping in view the performance of Mr. Awais Noorani in each financial year.

Moreover, he will also be entitled to leave with full pay, as per the Rules of the Company.

The duties and responsibilities of Mr. Awais A. Noorani as 'Vice President – International Sales & Sourcing' in Zodiac Clothing Company Limited, shall, interalia be as follows: -

- 1) Identifying most competitive sources in terms of quality, price and other terms and procuring ready goods at globally competitive prices for the organization;
- 2) Keeping company fully abreast of product development at various centers in India and abroad;
- 3) Visiting international exhibitions for developing supply sources, product development and sales;
- 4) Visiting suppliers in India and abroad for sourcing of fabrics and ready goods;
- 5) Visiting customers in foreign countries and overseeing of export sales;
- 6) Interaction with company's sales offices and with agents of the Company;
- 7) Interaction with design and product development;
- 8) Sourcing machinery, equipment, software, hardware relating to industry.

The remuneration payable to Mr. Awais A. Noorani would be on a time scale basis to be revised annually on the 1st of April, w.e.f April 1, 2012 onwards by an amount not exceeding 40% of the total remuneration last drawn, for the residual term of his appointment at the discretion of the Board of Directors of the Company and subject to the performance of Mr. Awais A. Noorani.

Except Mr. M.Y. Noorani, Mr. A. Y. Noorani and Mr. S.Y. Noorani, being relatives of Mr. Awais A. Noorani, none of the other directors of the Company are interested/concerned in the resolution.

By order of the Board of Directors

Place : Mumbai
Date : June 28, 2011

OMPRAKASH SINGH
Company Secretary