

# ZODIAC CLOTHING COMPANY LIMITED

CIN : L17100MH1984PLC033143

**Registered Office:** Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai -400 030.  
Tel : 66677000 Fax: 66677279 Website: www.zodiaconline.com email id : contactus@zodiacmtc.com

## NOTICE OF 32<sup>nd</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty Second Annual General Meeting of Zodiac Clothing Company Limited will be held at Hall of Quest, Nehru Planetarium (Basement), Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018, Maharashtra on Thursday, 11<sup>th</sup> August 2016 at 3:00 p.m. to transact the following Business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. A. Y. Noorani (DIN: 00041686), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Auditors

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 139, 141, 142 and other applicable provisions, if any of the Companies Act 2013 and the Rules issued thereunder, as amended from time to time, Deloitte Haskins and Sells, LLP Chartered Accountants (Registration No. 117366W/W-100018), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax, etc. as may be mutually agreed between the Board of the Directors of the Company and the Statutory Auditors.”

### SPECIAL BUSINESS:

5. **Approval of remuneration paid / payable to Mr. S. Y. Noorani, Managing Director and President in case of no profits or inadequacy of profits.**

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions:

**“RESOLVED THAT,** pursuant to the provisions of sections 196, 197 and 198 read together with

Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force) and as amended from time to time, approval of the Members of the Company be and is hereby accorded to the following remuneration paid / payable as minimum remuneration in case of no profits or inadequacy of profits to Mr. S. Y. Noorani (DIN: 00068423) as Managing Director and President of the Company for the financial year commencing from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 and for the period from 1<sup>st</sup> April, 2016 till the remainder of his term of appointment i.e. till 28<sup>th</sup> February, 2017 :-

I. Salary: ₹ 500,000/- (Rupees Five Lakhs) per month

II. Perquisites:

(a) Provident Fund:

Contribution to Provident Fund, as per the Rules of the Company and Provident Fund Act, 1952.

(b) Company Car:

Entitlement to Company car with driver, the perquisite value of which, if any, would be computed as per Rule 3 of the Income Tax rules, 1962.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 and the Rules framed thereunder, read together with Schedule V and other applicable provisions, if any of the said Act, the Members do hereby approve the aforesaid remuneration paid/payable to Mr. S. Y. Noorani, in case of no profits or inadequacy of profits, within the limits prescribed under the provisions of Sections 197 and 198 read together with Schedule V of the Act for the financial year commencing from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 and for the period from 1<sup>st</sup> April, 2016 till the remainder of his term of appointment i.e. till 28<sup>th</sup> February, 2017.

**RESOLVED FURTHER THAT** the other terms and conditions as per the resolution passed by the Nomination and Remuneration Committee at its meeting held on 17<sup>th</sup> February, 2014 and the Board of Directors by a circular resolution dated 24<sup>th</sup> February, 2014 and the members at their meeting held on 12<sup>th</sup> August, 2014 shall remain unchanged except in case of no profits or inadequacy of profits.

**RESOLVED FURTHER THAT** all the Directors and the Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, to sign and file all necessary forms, returns and documents as may be required statutorily in this regard, and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

By Order of the Board of Directors  
For **Zodiac Clothing Company Limited**

KUMAR IYER  
G.M. Legal &  
Company Secretary

Dated : 8<sup>th</sup> July, 2016  
Place : Mumbai

**Registered Office:**

Nyloc House, 254, D-2,  
Dr. Annie Besant Road, Worli,  
Mumbai 400 030

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. **HOWEVER A PERSON APPOINTED AS A PROXY SHALL ACT ON BEHALF OF SUCH MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.** THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of item no. 5 to be transacted at the Meeting is appended hereto and forms an integral part hereof.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. A brief resume of the directors proposed to be re-appointed/change in terms of their appointment, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of

Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 36 of the SEBI-(Listing Obligations and Disclosures Requirement) Regulations, 2015, are provided in Details of Directors seeking re-appointment/change in term of their appointment at the Annual General Meeting annexed herewith as **Annexure A.**

5. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday 5<sup>th</sup> August, 2016 to Thursday 11<sup>th</sup> August, 2016 (both days inclusive).
9. 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 4<sup>th</sup> August, 2016 as per the download 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 11<sup>th</sup> August, 2016.
  - c) The dividend on Equity shares, if declared at the Meeting, will be credited/dispatched on or before 31<sup>st</sup> August, 2016.
10. Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation the company has already implemented the NECS facility provided by RBI. 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 for payment electronically 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 MICR no and / or IFSC code. It should be signed by all the holders, as per the specimen signature recorded with the Company / Depository Participant. For electronic shares, the relevant information may be provided to the concerned DP with whom the demat account is operational. For the shares held in Physical form it may be sent to Karvy the Registrar and share transfer agent.

11. Members holding shares in dematerialized form may please note that the bank details as furnished by the respective Depositories to the Company will be used for the purpose of distribution of dividend as directed by the Stock Exchanges. In the absence of electronic credit facility, the bank account details, if available, will be printed on the dividend warrants. Members holding shares in dematerialized form must give instructions, regarding bank accounts in which they wish to receive dividend, to their respective Depository Participant. The Company or the Share Transfer Agents will not act on any direct request from such members for change/deletion in such bank details. Such changes are to be advised only to the Depository Participant by the members.
12. Members who hold shares in physical form can avail of the nomination facility in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form No. SH-13 in duplicate with the Share Transfer Agents who, on request, will supply blank nomination forms. Members holding shares in the dematerialised form may contact the Depository Participant for recording nomination in respect of their shares.
13. All unclaimed dividends up to the Final Dividend for 2007-08 paid by the Company have been transferred to the General Revenue Account of the Central Government. Pursuant to the provisions of the Investor Education & Protection Fund (IEPF) (Uploading of Information Regarding Unpaid & Unclaimed Amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of the unpaid & unclaimed amounts lying with the Company on the website of the Company ([www.zodiaconline.com](http://www.zodiaconline.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)). Unclaimed Equity Dividend for the financial year 2008-09 will fall due for transfer to the said Fund on September 30, 2016. Members should also note that any sum transferred to IEPF shall stand forfeited and no claim shall lie either against IEPF or the Company. Those members, who have not encashed their dividends for the financial year ended March 31, 2009, are requested to claim it from Karvy immediately. Such of those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from Karvy.
14. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. Karvy Computershare Pvt. Ltd, Karvy Selenium Tower-B, Plot No. 31&32 Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032. India Tel No.+91 04 67162222, Toll free No. 18003454001, E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)
15. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing companies to send documents to their shareholders in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agents of the Company and register their email-id. Members holding shares in dematerialised form are requested to contact their Depository Participant.
16. An electronic copy of the Annual Report for 2016 alongwith the Notice of the AGM and all accompanying documents is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes in addition to the physical copy being sent in the permitted mode. Members may please note that notices, annual reports, and all other related documents will be available on the Company's website ([www.zodiaconline.com](http://www.zodiaconline.com)) as well as the website of Karvy (i.e. <http://evoting.karvy.com>) for their download.
17. SEBI has mandated the submission of Permanent Account Number (PAN) as the sole identification number by every participant in securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares. Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s), (ii) Transmission of shares to the legal heir(s), and (iii) Transposition of shares. Accordingly, members holding shares in dematerialized form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts, if not already submitted. Members holding shares in the physical form can submit their PAN details to the Company / Registrar and Transfer Agents, M/s Karvy Computershare Private Limited, if not already submitted.
18. 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 at least 10 days before the date of the Annual General Meeting.
  - (iv) To register their e-mail address with Company's Registrar & Transfer Agents, M/s. Karvy Computershare Pvt. Ltd, to enable the Company

to send the notices, documents including Annual Reports by e-mail.

**19. Voting Instructions:**

- a. In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 the Resolutions proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM), for which purpose the Company has engaged the services of Karvy Computershare Pvt. Ltd. (Karvy) to facilitate remote e-voting.
- b. Please note that the Members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.
- c. The Board of Directors of the Company has appointed Mr. B. Narasimhan, Proprietor B.N. & Associates, a Practising Company Secretary as the Scrutinizer for conducting the e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer's decision on the validity of the votes shall be final.
- d. Voting rights will be reckoned on the paid-up value of the shares registered in the name of the Members as on 4<sup>th</sup> August, 2016 being the cut-off date. Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the AGM.
- e. The particulars as required by Rule 20 of the Companies (Management and Administration) Rules, 2014 shall be published through an advertisement in the following newspapers: (i) Business Standard and (ii) Lokmat.
- f. The Scrutinizer will submit his report to the Chairman/Managing Director after the completion of scrutiny, and the result of the voting by Postal Ballot will be announced by any Director or Company Secretary of the Company duly authorized, on or before 13<sup>th</sup> August, 2016 at the registered office of the Company and will also be displayed on the Company's website ([www.zodiaconline.com](http://www.zodiaconline.com)), and on the website of Karvy (<http://evoting.karvy.com>) immediately after the result is declared. The Company shall simultaneously forward the results to BSE LTD and National Stock Exchange of India Limited, where

the shares of the Company are listed. The result will also be published in the newspapers.

**The instructions for e-voting are as under:**

- A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
  - i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii) Enter the login credentials (i.e., **User ID and password mentioned below**). Event No. followed by Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii) After entering these details appropriately, Click on "LOGIN".
  - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v) You need to login again with the new credentials.
  - vi) On successful login, the system will prompt you to select the "EVENT" i.e., Zodiac Clothing Company Limited.
  - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
  - ix) Voting has to be done for each item of the Notice separately. In case you do not desire

to cast your vote on any specific item it will be treated as abstained.

- x) You may then cast your vote by selecting an appropriate option and click on “Submit”
  - xi) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the scrutinizer at zodiac.evoting@karvy.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_ EVENT NO.”
  - xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 4<sup>th</sup> August 2016, he/she may write to the Karvy on the email Id: evoting@karvy.com or to Mr. P. A. Varghese, Contact No. 040-33215424, at [Unit: Zodiac Clothing Company Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:
- i) **User ID and initial password as provided in a separate e-voting communication, being sent along with the Notice of AGM and Annual Report.**
  - ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on **Sunday, 7<sup>th</sup> August 2016 at 10:00 A.M. and ends on Wednesday, 10<sup>th</sup> August 2016, at 5.00 P.M.** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Thursday, 4<sup>th</sup> August, 2016, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Further, the Members who have cast their vote electronically shall not vote by way of poll at the Meeting.

- D. In case of any query or grievance pertaining to e-voting, please visit Help & FAQ's section available at <https://evoting.karvy.com> (on Karvy's website) or contact:

Mr. P. A. Varghese

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

evoting@karvy.com

Tel: 040-33215424

- E. Voting at the AGM will be through Poll paper to be distributed at the venue. The Scrutinizer shall after scrutinizing the votes cast at the AGM and through e-voting, make a Consolidated Scrutinizers Report and submit the same to the Chairman of the Company, not later than 2 (two) days of the conclusion of the AGM.
- F. The Results declared along with the Consolidated Scrutinizers Report shall be placed on the Company's website [www.zodiaconline.com](http://www.zodiaconline.com) and on the website of Karvy i.e. <http://evoting.karvy.com>. The results shall simultaneously be communicated to the BSE Ltd and National Stock Exchange of India Ltd. where the Company's share are listed.
- G. The resolution/s shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes in favour of the resolution through a compilation of voting results (i.e. remote e-voting and voting held at the AGM).
20. Refer page no. 145 of the Annual Report for the route map to reach the venue of the Annual General Meeting.

By Order of the Board of Directors  
For **Zodiac Clothing Company Limited**

KUMAR IYER

Dated : 8<sup>th</sup> July, 2016

Place : Mumbai

G.M. Legal &  
Company Secretary

**Registered Office:**

Nyloc House, 254,  
D- 2, Dr. Annie Besant Road,  
Worli, Mumbai - 400 030.

## ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

### ITEM NO.5

The Members at the 30<sup>th</sup> Annual General Meeting (AGM) of the Company held on 12<sup>th</sup> August, 2014 had by way of an Ordinary Resolution approved the reappointment and the remuneration payable to Mr. S. Y. Noorani as Managing Director and President of the Company for a period of 3 years commencing from 1<sup>st</sup> March, 2014 to 28<sup>th</sup> February, 2017 on terms and conditions, including remuneration payable to him as contained in the Agreement dated 25<sup>th</sup> April, 2014.

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, in case of no profits or inadequacy of profits, the remuneration payable shall be within the limits as specified in Section II of Part II of Schedule V of the Act based on the effective capital of the Company and subject to the approval of the members by passing a Special Resolution.

The Nomination and Remuneration Committee and the Board of Directors of the Company have at their respective meetings held on 26<sup>th</sup> May, 2016, taking into account Mr. S. Y. Noorani's educational qualifications, managerial experience, stature in the clothing industry and the full time and attention devoted by him to the business of the Company, approved the payment of the following remuneration as minimum remuneration to Mr. S. Y. Noorani, in case of no profits or inadequacy of profits, for the period from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March 2016 and also for the remainder of his term of appointment i.e. for the period from 01<sup>st</sup> April, 2016 to 28<sup>th</sup> February, 2017 subject to the approval of the members by passing a Special Resolution:

- I. Salary: ₹ 500,000/- (Rupees Five Lakhs) per month
- II. Perquisites:
  - (a) Provident Fund:

Contribution to Provident Fund, as per the Rules of the Company and Provident Fund Act, 1952.
  - (b) Company Car:

Entitlement to Company car with driver, the perquisite value of which, if any, would be computed as per Rule 3 of the Income Tax rules, 1962.

The other terms and conditions as per the resolution passed by the Nomination and Remuneration Committee

at its meeting held on 17<sup>th</sup> February, 2014 and the Board of Directors by a circular resolution dated 24<sup>th</sup> February, 2014 and the members at their meeting held on 12<sup>th</sup> August, 2014 shall remain unchanged except in case of no profits or inadequacy of profits.

The Board recommends the passing of this resolution by the members as a Special Resolution in the interest of the Company.

Mr. S. Y. Noorani is interested in the Resolution.

Mr. M. Y. Noorani and Mr. A. Y. Noorani, being relatives of Mr. S.Y. Noorani may also be deemed to be interested in the said Resolution.

None of the other Directors and Key Managerial Personnel of the Company and/or their relatives are interested in the Resolution.

The Statement containing Additional Information as required in terms of Clause (iv) of Section-II of Part-II of Schedule V of the Companies Act, 2013,

### I. GENERAL INFORMATION:

(1) **Nature of Industry:** The Company is mainly engaged in the business of manufacturing and dealing in Clothing and other apparel products.

(2) **Date of commencement of commercial production:**  
The Company was incorporated on 14<sup>th</sup> June, 1984. The Company had since then commenced its business.

The Company has five wholly owned subsidiary companies as follows:

1. Zodiac Finsec and Holdings Ltd.
2. Zodiac Clothing Co. S.A. (Switzerland)
3. Zodiac Clothing Co. (UAE) LLC
4. Zodiac Clothing Company Inc.
5. Zodiac Properties Limited (U.A.E)

(3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable

(4) **Financial performance based on given indicators:**

(Amounts in ₹ Lakhs)

	FY 2015-16		FY 2014-15		FY 2013-14	
	(April 2015 - March 2016)		(April 2014 - March 2015)		(April 2013 - March 2014)	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Revenue	31,323	35,513	34,059	39,975	35,514	41,395
Profit Before Tax	(510)	(837)	1,184	1,267	2,217	3,054
Profit for the period	(361)	(821)	950	902	1,493	2,201

**(5) Foreign Investments or collaborations, if any:**

Nil

**II. INFORMATION ABOUT THE APPOINTEE:**

**(1) Background details:**

Mr. S. Y. Noorani (aged – 53 years) is a Commerce Graduate from the University of Mumbai and is one of the Promoters of the Company and is presently the Managing Director and President and has a wide and varied experience in the clothing industry.

**(2) Past remuneration:**

The Company has paid to Mr. S. Y. Noorani the following remuneration for the past five Financial Years:

Financial Year	Remuneration (₹)
2014 – 15	61,00,000
2013 – 14	1,24,00,000 (including Commission)
2012 – 13	84,50,000(Commission)
2011 – 12	65,50,000 (Commission)
2010 – 11	1,12,50,000 (Commission)

**(3) Recognition or Awards:**

Under the dynamic leadership of the Managing Directors, the Company has over the years been conferred with the following awards:

- CMAI (Clothing Manufacturers' Association of India) - best brand launch in 2002 as well as the best emerging brand of 2002.
- CMAI APEX Awards - 2004 for:
  1. Best Management Team of the year – Zodiac Clothing Co. Ltd.
  2. The Most Promising Brand of the Year – ZOD!
  3. Best Media Campaign of the Year – ZODIAC
  4. Best Clothing Professional of the Year
- The Corporate Head office building of Zodiac Clothing Co. Ltd. has been awarded the prestigious GOLD certification under LEED INDIA New Construction rating system by Indian Green Building Council for its commitment to sustainable development in 2015.

**(4) Job profile and his suitability:**

Mr. S. Y. Noorani started his career in the Company in 1982 and is the Managing Director & President since 1<sup>st</sup> March, 2004. He is responsible for setting up the Company's state-of-the-art of manufacturing facilities at Gujarat and international operations in London, Dusseldorf and New York. He leads a dynamic team of professionals in the running of the organisation ranging from design and manufacturing to sales and marketing and has successfully launched the Brand ZOD! and Z3 in the Indian market. Mr. S.Y.

Noorani is presently responsible for design, manufacturing, sales and marketing of the Company. His contribution towards optimizing operations, increasing production and setting new factories is immense. He exercises full control over his areas of responsibilities and strives to enhance the potential of the Company. Taking into consideration his rich and varied experience in the clothing industry, Mr. S. Y. Noorani is considered most suitable for the said job profile.

**(5) Remuneration proposed:**

The remuneration paid/proposed to be paid to Mr. S. Y. Noorani is ₹ 500,000/- (Rupees Five Lakhs) per month plus perquisites as more fully described in the Resolution and Explanatory Statement above.

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

Mr. S. Y. Noorani, Promoter and Managing Director & President of the Company is a veteran in the clothing industry with over 34 years of experience and has deep understanding of the Indian clothing industry. His proven track record coupled with broad-based business experience combined with his strong leadership capability has enabled him to continue with the growth of the Company. Further, taking into account his educational qualification, rich managerial experience, stature in the clothing industry and the full time and attention devoted by Mr. S. Y. Noorani to the business of the Company, the remuneration paid/payable in case of no profits or inadequacy of profits is just and reasonable and is commensurate with the remuneration of CEO/MD levels of similar sized companies, taking into consideration the responsibilities shouldered by him.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:**

Mr. S. Y. Noorani is a Promoter Director holding 554516 shares consisting of 2.84% of the total paid-up Capital of the Company.

Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any other emoluments from the Company. Mr. S. Y. Noorani is son of Mr. M. Y. Noorani (Chairman) and brother of Mr. A. Y. Noorani (Vice- Chairman and Managing Director). No other managerial personnel has any relationship with Mr. S. Y. Noorani.

**III. OTHER INFORMATION:**

**(1) Reasons of loss or inadequate profits:**

During the year 2015 – 16, there has been a decline in the turnover of the Company's International and Branded business. The Branded business had a lower turnover largely due to the

distress in the independent retailer segment and due to unprecedented disruption of markets, by e-commerce grabbing a chunk of the consumer wallet, which in turn has reduced the disposable income available for discretionary spending. Further the competition has been fierce, with reputed competitors offering goods regularly on sale or return basis, with virtually payable-when-able terms and selling goods on discount to their ex-factory prices, and funding discounts or freebies to the end consumers as well. However, the company has been steadfast in its policy of no discounting/freebies, as well as on its terms of business, especially timely payment and strict non-returns policy. Besides, the lower turnover, higher depreciation and substantially higher store rentals, new stores under gestation/extended gestation and Forex loss, contributed largely to the loss incurred by the company for the first time in its history.

**(2) Steps taken or proposed to be taken for improvement:**

The Company has already started implementing various strategies to increase the Company's turnover despite the market conditions, both in the Branded and International business, by tapping new markets and segments. Further the Company is also making all out efforts to generate other streams of income.

**(3) Expected increase in productivity and profits in measurable terms:**

The Company has already put in place state-of-the-art equipment with substantial capital investments during the year to improve production per head. The company is also trying to achieve higher value addition subject to what the market can bear.

The two important improvements recently introduced by the Government in the draw back on export of clothing i.e. refund of State level duties to exporters and that exporters availing the facility of zero-duty import of fabrics will be given drawback on the other duty paid inputs to them is bound to improve the cost competitiveness of the Company and its exports.

The Company, despite the current slowdown, expects the overall revival of the economy in the near future resulting into the Company's improved performance and profitability like in the previous years.

**IV. DISCLOSURES:**

The other relevant disclosures as prescribed / required have been mentioned in the Board of Directors' Report under the heading "Corporate Governance", attached to the Annual Report.

By Order of the Board of Directors  
For **Zodiac Clothing Company Limited**

KUMAR IYER  
G.M. Legal &  
Company Secretary

Dated : 8<sup>th</sup> July, 2016  
Place : Mumbai

**Registered Office:**  
Nyloc House, 254,  
D- 2, Dr. Annie Besant Road,  
Worli, Mumbai - 400 030.

**Annexure A**

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/CHANGE IN TERMS OF APPOINTMENT AT THE ANNUAL GENERAL MEETING**

Particulars	Mr. A. Y. Noorani	Mr. S. Y. Noorani
<b>Date of Birth</b>	11-12-1950	15-03-1963
<b>Date of First Appointment</b>	14-06-1984	14-05-1993
<b>Director Identification Number</b>	00041686	00068423
<b>Qualification</b>	B. Com., Advance Management Programme at Harvard Business School	B. Com.
<b>Expertise in specific functional areas</b>	Industrialist with rich Business Expertise	Industrialist with rich Business Expertise
<b>Directorship held in other companies</b>	Zodiac Finsec and Holdings Limited	Zodiac Finsec and Holdings Limited
<b>Membership/Chairmanships of Audit, Nomination and Remuneration and Shareholders/Investor Grievance Committee and all other committees of boards of other Companies</b>	Nil	Nil
<b>Number of shares held in the Company (As on 31st March 2016)</b>	5,65,247	5,54,516
<b>Relationship with other Directors, Manager and Key Managerial Personnel</b>	Son of Mr. M. Y. Noorani, Chairman & Brother of Mr. S. Y. Noorani, Managing Director & President	Son of Mr. M. Y. Noorani, Chairman & Brother of Mr. A. Y. Noorani, Vice – Chairman & Managing Director
<b>Number of Meetings of the Board attended during the year</b>	7	7