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FINEST QUALITY SHIRTMAKERS

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SUPER 140'S PURE WOOL SUITS

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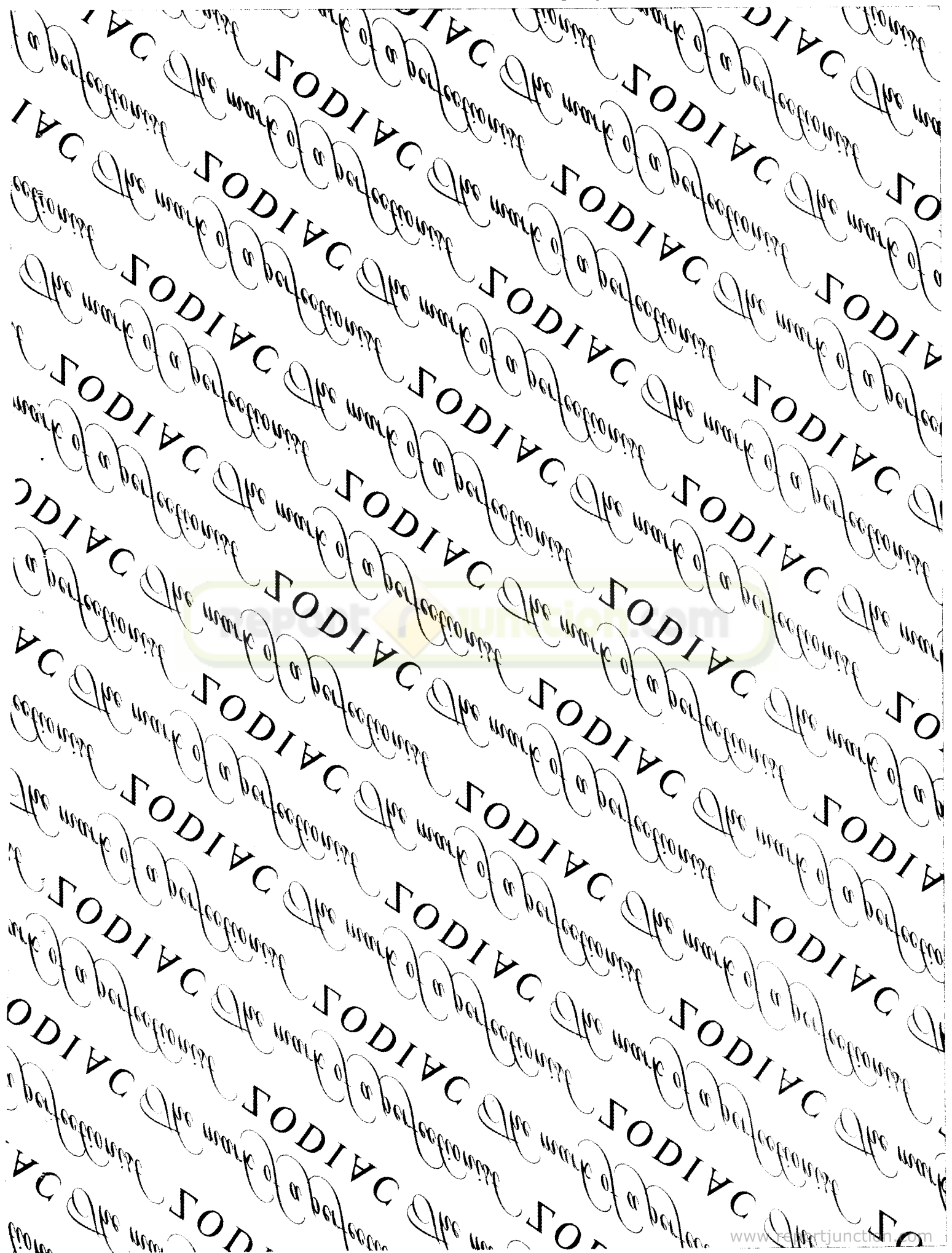


*Da Vinci*  
**ZODIAC**

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ZODIAC CLOTHING COMPANY LTD. INDIA - 25<sup>th</sup> ANNUAL REPORT 2008-2009

ZODIAC 5

## DIRECTORS' BIOGRAPHIES



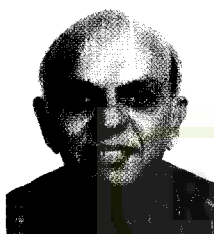
**Mr. M. Y. Noorani**  
Chairman

Mr. M.Y. Noorani, is the founder of ZODIAC and the founding father of the Clothing industry in India. He was the founder of the Clothing Manufacturers Association of India as well as its President for three consecutive terms. He has served on the managing committee of several trade organizations, including Indo German Chamber of Commerce, Bombay Chamber of Commerce, Indo Italian Chamber of Commerce as well as E.U. Chamber of Commerce, where he was the President for two terms. He has led Zodiac in its continuous quest for excellence and has also been the recipient for Lifetime achievement awards from IFA Lycra Images and also from the Clothing Associations – CMAI and CIAE. He is also Chairman of various Public Limited and Private Limited Group Companies.



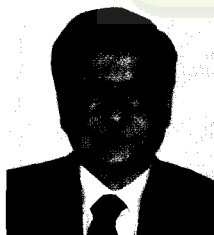
**Dr. S. Abid Hussain**  
Director

Dr. S. Abid Hussain (Padma Bhushan, 1988) is a retired I.A.S. officer and the former Secretary, Government of India, Ministry of Commerce and Ministry of Heavy Industry. He was also a member of the Planning Commission and the Ambassador of India to the United States of America, besides holding membership of numerous national and international bodies including several U.N. assignments in varied fields. 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. Dr. S. Abid Hussain is currently a member of the International Panel on Democracy & Development of UNESCO and Professor Emeritus at the Indian Institute of Foreign Trade (IIFT) and the Foreign Service Institute of the Ministry of External Affairs. He is currently a director of G.V.K. Industries Limited, G.V.K. Taj Hotels & Resorts Limited, GVK Power & Infrastructure Limited, Wockhardt Limited, Havel's India Limited, Shree Cement Limited, Gangavaram Port Limited and the Chairman of Hyderabad Flextech Limited and Nagarjuna Oil Corporation Limited. He is also Principal Trustee of Morgan Stanley Asset Management (India) Limited.



**Mr. M. L. Apte**  
Director

Mr. M. L. Apte, former Sheriff of Bombay is also the former President of Maharashtra Chamber of Commerce, Bombay Chamber of Commerce, 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 the Chairman of Dr. Writer's Food Products Private Limited and 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 New Phaltan Sugar Works Limited, The Raja Bahadur International Limited and Kulkarni Power Tools Limited.



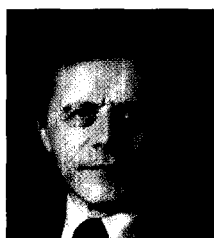
**Mr. S. M. Datta**  
Director

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. Private Limited, IL & FS Investment Managers Limited, BOC India Limited, Peerless Hospitex Hospital & Research Centre Limited, Reach (Cargo Movers) Private Limited and Director of Peerless Gen. Fin. and Inv. Co. Limited, Kansai Nerolac Paints Limited, Transport Corporation of India Limited, Atul Limited, Bhruka Power Corporation Limited, Peerless Hotels Limited, Ambit Holdings Pvt. Limited, Chandra's Chemical Enterprises (Private) Limited, Rabo India Finance Limited, Wockhardt Hospitals Limited and Deutsche Postbank Home Finance Limited.



**Mr. Bernhard Steinruecke**  
Director

Mr. Bernhard Steinruecke is the Director General of Indo-German Chamber of Commerce. He was the Managing Partner on the Board of ABC Bank GmbH, Berlin and representative of the Indo-German Chamber of Commerce, Berlin, Germany. After acquiring an Honours degree in law from the University of Heidelberg, he became the Assistant Judge at the Supreme Court of Hamburg. He later on joined the Deutsche Bank AG and rose to become its Joint Chief Executive Officer, India. He is currently a Director of FAG Bearings India Limited, Bosch Limited and HDFC ERGO General Insurance Company Limited.



**Dr. Heinrich-Dietrich Dieckmann**  
Director

Dr. Heinrich-Dietrich Dieckmann is a retired German diplomat whose entire career was focused mainly on international economic affairs. During his illustrious career he has served as the German Ambassador to India, German Ambassador to Japan, Director General for Economic Affairs and European Integration in the German Foreign Office, Head of the Economic Department of the German Mission to the United Nations in New York. He was the Foreign Office Representative in all negotiations with the Soviet Union and later on Russia, dealing with the economic aspects of German reunification, and one of the German Sherpas for the preparations of the G7 summits 1992, 1993 and 1994.

#### REGISTERED OFFICE

Apte Properties  
10/76, Off Dr. E. Moses Road,  
Worli, Mumbai - 400 018.  
Tel. : 022-66677000  
Fax : 022-66677279

#### COMPANY SECRETARY

Mr. Shivatosh Chakraborty

#### STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells  
Chartered Accountants  
12, Dr. Annie Besant Road,  
Opp. Shivsagar Estate,  
Worli, Mumbai - 400 018.

#### INTERNAL AUDITORS

M/s. Bhandarkar & Kale  
Chartered Accountants  
Lentin Chambers, Fort,  
Mumbai.

#### FACTORIES

- Yelahanka,  
Bangalore - 560 063.
- Whitefield Road,  
Bangalore - 560 048.
- Bommasandra,  
Bangalore - 560 099.
- Koramangala,  
Bangalore - 560 095.
- A-1, 181/1, GIDC, Umbergaon,  
Valsad, Gujrat - 396 171
- C/2/7, GIDC, Industrial Area,  
Umbergaon, Valsad, Gujrat - 396 171
- Plot No. 411, Unit II, GIDC Umbergaon,  
Valsad, Gujrat - 396171
- A to Z Industrial Area, Lower Parel,  
Mumbai - 400 011

#### SOLICITORS

M/s. A.H. Parpia & Co.  
203/204 Prabhat House, 2<sup>nd</sup> Floor,  
92, S.V. Road, Khar (W), Mumbai - 400 052

M/s. Kanga & Co.  
Readymoney Mansion,  
43, Veer Nariman Road,  
Mumbai - 400 001.

#### REGISTRAR & TRANSFER AGENTS OFFICE

Karvy Computershare Pvt. Ltd.  
Karvy House,  
46, Avenue 4, Street No. 1,  
Banjara Hills, Hyderabad - 500 034.

#### BANKERS

ABN AMRO Bank N.V.  
74, Sakhar Bhavan,  
Nariman Point, Mumbai - 400 021.

Citi Bank N.A.  
Citi Bank Centre,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 051.

State Bank of India  
Commercial Branch, N.G.N. Vaidya Marg,  
Mumbai - 400 023

#### SUBSIDIARIES

- Multiplex Collapsible Tubes Limited
- Zodiac Clothing Co. S.A. (Switzerland)
- Zodiac Clothing Company (UAE) LLC
- Zodiac Clothing Company Inc.





The year ended 31<sup>st</sup> March, 2009 has been most challenging in view of the financial sector meltdown and the consequent slowdown of the economic sector globally, which had an impact, albeit to a lesser extent, on India as well. Clothing exports from India have grown a mere 4.6% in U.S. Dollar terms (India/USD 10 billion, global trade USD 373 billion).

Post September 2008, clothing exports from India have declined each month (excepting January 2009). The provisional figures for the September-March period are USD 5.52 billion v/s. USD 5.90 billion in the corresponding period last year, i.e. a decline of approximately 4.75%. The trend in April 2009 has continued to show a decline (minus 9.71%)

What is of grave concern is that India's share of global trade in clothing has been a mere 2.6%. In January-March 2009, India's export to the EU has stagnated, whereas Bangladesh, Sri Lanka and China have all grown in this market. In case of the US, export from India has declined by 9%, whereas Bangladesh, Indonesia and Vietnam show significant growth. Admittedly, all the competitor countries that have outperformed India have had tremendous and timely support from their respective Governments, which has distorted the situation somewhat for our country. The clothing industry needs to be encouraged by the Government to gain market share by leveraging its strengths, most of which I have familiarised you with over a period of time.

The Government did introduce 2 packages of Duty Concessions, and tax and interest rebates to combat recession, but it was too little, too late.

The Company's strategy has been vindicated, with regard to its de-risking, cost and innovation focused strategy. This has cushioned it from the effects of the worldwide recession, as well as the slowdown (not recession) in India during the second half of the financial year. The profit after tax for the year, albeit lower (standalone Rs. 1,513 lakhs v/s Rs. 2,016 lakhs for the previous year), when looked at in the perspective of the Profit & Loss

position of our competitors, both in India as well as globally, reiterates our position.

With the new Government in place, there are hopes that they will partner the industry in re-gaining, and possibly increasing, market share. One hopes that the new Government will:

- Review the rates of Duty Drawback to fully reimburse taxes (including Service Tax) incurred on inputs.
- Exempt Service Tax on those post-manufacturing expenses, which can only be attributable to exports, and which still face frequent considerable challenges in being refunded,
- Address other cost disabilities (such as exemption from State-level Octroi Duty, which has remained only on paper),
- Extend the tenure of the Market Focus Scheme
- Address the Cost of Funds issue by enhancement of the interest rate subvention to make funds available to the industry at international pricing.
- Devise a WTO-compatible tax benefit.
- Institute a Product Development Fund to encourage innovation
- Address infrastructural disabilities.
- Pursue fast track signing of bilateral/multilateral agreements with the EU (and possibly the US)

There are further investments being contemplated in weaving and processing of clothing, which will gain momentum once the Government policy on TUFs is refined. The clothing industry will not be found wanting, should it be provided with encouragement.

The steps I have outlined above should translate into a turnaround for India's international trade in clothing. Recapturing market share would require a CAGR of 9% plus through to 2015, which is palpable with these steps implemented.



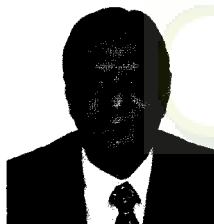
**Mr. Deepak Parekh**  
Director

Mr. Deepak Parekh (Padma Bhushan, 2006) is a Fellow of the Institute of Chartered Accountants (England and Wales). He is the Chairman of H.D.F.C. Limited, Infrastructure Development & Finance Co. Limited, Glaxo Smithkline Pharmaceuticals Limited, Siemens Limited, HDFC Asset Management Co. Limited, HDFC ERGO General Insurance Co. Limited and HDFC Standard Life Insurance Co. Limited. He is a Director of Hindustan Unilever Limited, Castrol India Limited, Mahindra & Mahindra Limited, Hindustan Oil Exploration Corporation Limited, Exide Industries Limited, The Indian Hotels Co. Limited, Satyam Computer Services Ltd., Borax Morarji Limited, Bharat Bijlee Limited and Lafarge India Private Limited. He has been a member of several Committees set up by the Government of India, especially in the field of Finance and Capital Markets, the recent one being the Investment Commission Committee. Mr. Parekh has won several accolades and awards. He was the youngest recipient of the 'Corporate Award for Life Time Achievement', from the Economic Times. He was awarded the 'Businessman of the Year - 1996' by Business India, and the 'JRD Tata Corporate Leadership Award' from the All-India Management Association. He was the first recipient of the 'Qimpro Platinum Award' for Quality for his contributions to the services sector.



**Mr. Y. P. Trivedi**  
Director

Mr. Y. P. Trivedi is the former President of Indian Merchants Chamber, The Chamber of Income Tax Consultants, Indo-African Chamber of Commerce, a member of the Managing Committee of Indian Merchants' Chamber. He is a member of Rajya Sabha. He is currently the Chairman of Trivedi Consultants Private Limited, Zandu Pharmaceuticals Works Limited and Sai Service Station Limited and also a Director of Reliance Industries Limited, Reliance Petroleum Limited, Birla Power Solutions Limited, Metro Exporters Private Limited, Supreme Industries Limited, Clare Mont Trading Private Limited, Colosseum Sports and Recreation International, Monica Travels Private Limited, Seksaria Biswan Sugar Factory Limited, New Consolidated Construction Co. Limited, Birla Cotsyn (India) Limited. Mr. Trivedi has also served as a Director of Central Bank of India, Dena Bank and Central Bank Executors and Trustee Company Limited.



**Mr. S. R. Iyer**  
Director

Mr. S.R. Iyer retired as Managing Director of the State Bank of India. He is the former Chairman and Director of the Credit Information Bureau (India) Limited. He was also the Managing Director of State Bank of Mysore, Director of the National Stock Exchange of India Limited and GE Capital Business Process Management Services Private Limited. He has vast knowledge and rich experience in banking. He is presently Director of IDMC Limited, KSK Energy Ventures Limited, KSK Power Venture Plc, P.N. Writer & Co. Private Limited and KSK Electricity Financing Private Limited.



**Mr. A. Y. Noorani**  
Vice-Chairman & Managing Director

Mr. A.Y. Noorani joined the House of Zodiac in 1968 and after successfully developing its export business and scaling up its overall operations, became Managing Director of the organisation in 1980. He completed the Advance Management Programme at Harvard Business School, Boston, and is responsible for overseeing the management of the organisation, corporate affairs and finance. Mr. Noorani is Past President of the Indo-German Chamber of Commerce and is presently on the Managing Committee of the Chamber and a member of the Indo-German Consultative Group, the CII-Gulf Council and the CII Committee on Textiles. He was a member of the Managing Committee of the Apparel Export Promotion Council, the Bombay Chamber of Commerce & Industry, the Clothing Manufacturers' Association of India, member of the Board of Governors of the National Institute of Fashion Technology and member of the Steering Group on Investment and Growth in the Textile Industry. He is also Director of Indian Oil Corporation Limited and Public Limited and Private Limited companies of the House of Zodiac.



**Mr. S. Y. Noorani**  
Managing Director & President

Mr. S. Y. Noorani joined the House of ZODIAC in 1982. He was responsible for setting up the company's state-of-the-art manufacturing facilities and international marketing operations in London, Dusseldorf and New York. He leads a dynamic team of professionals in the running of the organization ranging from design and manufacturing to sales and marketing which has successfully launched the brand ZOD! and Z3 in the Indian market. Mr. S. Y. Noorani is the Co-Chairman of Indo-Spanish Business Committee of Bombay Chamber of Commerce and has also served on the Managing Committees of Indo- Italian Chamber of Commerce as well as CMAI. He is a member of the regional council of CII (Western Region). He is also Director of various Public Limited and Private Limited companies of the House of Zodiac.