

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 35th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of Zodiac Clothing Company Limited will be held at Nehru Center, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra on Monday, 5th August 2019 at 3:00 p.m. to transact the following Business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 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. S. Y. Noorani (DIN: 00068423), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- 4) Re-appointment of Mr. S. Y. Noorani (DIN: 00068423) as the Managing Director and President of the Company and approval of the remuneration payable to him:

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) (collectively, the “Act”), approval of the Members be and is hereby accorded to the re-appointment of Mr. S. Y. Noorani (DIN: 00068423) as the Managing Director and President of the Company, for a period of 3 (three) years with effect from 1st March, 2020, on the terms and conditions including remuneration as set out in the Statement attached to this Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment, including remuneration, as it may deem fit and as mutually agreed with Mr. S. Y. Noorani.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Act and rules, the Members do hereby approve the remuneration as set out in the Statement attached to this Notice in case of no profits or inadequacy of profits, subject to the same not exceeding the limits as prescribed under the proviso to Part A of Section II of Part II of Schedule V to the Act.

RESOLVED FURTHER THAT Mr. A. Y. Noorani, Vice Chairman and Mr. Kumar Iyer, Company Secretary of the Company be and are hereby severally authorised to take all such steps and to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

- 5) Re-appointment of Mr. Subramaniam Ramachandran Iyer (DIN: 00580437) aged 79 years, as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149(10), 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read

with Schedule IV of the Act, as amended from time to time, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Subramaniam Ramachandran Iyer (DIN: 00580437) aged 79 years, who was appointed as an Independent Director on 12th August, 2014 and holds office upto 11th August, 2019, and being eligible, has submitted a declaration meeting the criteria of independence as provided in section 149(6) of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a term of 5 (five) years with effect from 12th August, 2019 to 11th August, 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s) / Company Secretary / any Officer(s) of the Company to do and perform all such acts, deeds, matters or things as may be considered necessary, expedient or desirable to give effect to the aforesaid resolution.”

- 6) Re-appointment of Mr. Yogendra Premkrishna Trivedi (DIN: 00001879) aged 90 years, as an Independent Director of the Company.

To consider and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of sections 149(10), 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Yogendra Premkrishna Trivedi (DIN: 00001879) aged 90 years, who was appointed as an Independent Director on 12th August, 2014 and holds office upto 11th August, 2019 and being eligible, has submitted a declaration meeting the criteria of independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) years from 12th August, 2019 to 11th August, 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s) / Company Secretary / any Officer(s) of the Company to do and perform all such acts, deeds, matters or things as may be considered necessary, expedient or desirable to give effect to the aforesaid resolution.”

- 7) Re-appointment of Mr. Bernhard Steinruecke (DIN: 01122939) aged 64 years, as an Independent Director of the Company.

To consider and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of sections 149(10), 152 and other applicable provisions, if any, of the

Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Bernhard Steinruecke (DIN: 01122939) aged 64 years, who was appointed as an Independent Director on 12th August, 2014 and holds office upto 11th August, 2019 and being eligible, has submitted a declaration meeting the criteria of independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation, and to hold office for term of 5 (five) years from 12th August, 2019 to 11th August, 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred

to Committee of Directors/ any Director(s) / Company Secretary / any Officer(s) of the Company to do and perform all such acts, deeds, matters or things as may be considered necessary, expedient or desirable to give effect to the aforesaid resolution.”

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

KUMAR IYER
G.M. Legal & Company Secretary
MEMBERSHIP No. – A9600

Date: 30th May, 2019
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. 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.
3. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business under Item Nos. 4 to 7 of the accompanying Notice is annexed hereto.
4. A brief resume of the directors proposed to be appointed and re-appointed, 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 Requirements) Regulations, 2015, are provided in Annexure A to the Notice under Details of Directors seeking appointment and re-appointment at the Annual General Meeting.
5. 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.
6. 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 Sundays and Public Holidays) during business hours up to the date of the Meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday 27th July 2019 to Monday 5th August 2019 (both days inclusive).
8. The dividend, if declared at the Meeting, shall be payable to members of the Company whose names appear:
 - a) As Beneficial Owners as at the end of business hours on 27th July 2019 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 27th July, 2019.
- c) The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on or before 30th August, 2019.
9. 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. Accordingly, 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. It should be signed by all the holders. 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 Fintech Pvt. Ltd. (Karvy), the Registrar and Share Transfer Agent.
10. Members holding shares in dematerialised 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 dematerialised 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.
11. 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 dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.
12. Members are being informed that as per the SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories.
13. All unclaimed dividends up to the Dividends for the year 2010-11 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), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Unclaimed Equity Dividend for the financial year 2011-12 will fall due for transfer to the IEPF on 4th October, 2019.

14. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Equity Shares in respect of which dividend remains unclaimed/unpaid for the last seven or more consecutive years, are required to be transferred to the Demat Account of the IEPF authority. In this regard, the Company had informed the concerned Members through letter(s) and subsequently through publication of Notice(s) in 'the Free Press Journal' and 'Navshakti' advising them to claim their unclaimed/unpaid dividend from the Company within the stipulated time period. The Company has also uploaded on its website, i.e. www.zodiaconline.com, the complete list of member's alongwith relevant details pertaining to unclaimed/unpaid dividend for seven consecutive years or more and the corresponding shares liable to be transferred to the Demat account of the IEPF Authority. Members may view the aforesaid details on www.zodiaconline.com under the 'Investor Relations' category.
15. Members are being informed that once the unclaimed/unpaid dividend is transferred to the account of IEPF and shares are transferred to the Demat account of IEPF authority, no claim shall lie against the Company in respect of such dividend/shares. The eligible members are entitled to claim such unclaimed/unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in the prescribed Form IEPF 5 online and sending the physical copy of the same duly signed alongwith the requisite documents to the Registered Office of the Company for verification of their claim. Those members, who have not encashed their dividends for the financial year 2011-12 and thereafter, are requested to claim it from Karvy immediately.
16. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. Karvy Fintech Pvt. Ltd, Karvy Selenium Tower-B, Plot No. 31 & 32 Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032. India Tel No.+91 040 67161568, Toll free No. 1800-34-54-001, E-mail: einward.ris@karvy.com
17. The Ministry of Corporate Affairs (MCA) has introduced a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and rules framed thereunder. In case you have not registered your e-mail id, please communicate the same to the Company or RTA at their communication address given in the Annual Report in respect of the shares held in physical mode or communicate to the concerned DP in respect of shares held in demat/electronic mode. Although you are entitled to receive physical copies of Notices, Annual Reports, etc. from the Company on request, we sincerely seek your support to enable us to forward these documents to you only by e-mail, which will enable us to participate in the Green Initiatives of the MCA and to protect our environment.
18. An electronic copy of the Annual Report for the F.Y. 2018-19 along with 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). Members may please note that notices, annual reports, and other related documents will be available on the Company's website (www.zodiaconline.com) as well as the website of Karvy (i.e. <http://evoting.karvy.com>) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
19. 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 Fintech Private Limited, if not already submitted.

20. 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.

21. **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 Fintech Pvt. Ltd. (Karvy) to facilitate remote e-voting.
- b. Please note that the Members can opt for only one mode of voting i.e. 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 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 29th July, 2019 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 will be announced by the Chairman/Managing Director or Company Secretary of the Company duly authorized, on or before 7th August, 2019 at the registered office of the Company and will also be displayed on the Company's website (www.zodiaconline.com) and on the website of Karvy (<http://evoting.karvy.com>) immediately after the results are 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)]:
- Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - Enter the login credentials (i.e., **User ID and password**). 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.
 - After entering these details appropriately, Click on "LOGIN".
 - 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.
 - You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the "EVENT" i.e., Zodiac Clothing Company Limited.
 - 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.
 - Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - 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.
 - You may then cast your vote by selecting an appropriate option and click on "Submit"
 - 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).
 - 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 evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
 - 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. 27th July 2019, he/she may write to the Karvy on the email Id: evoting@karvy.com or to Mr. Shyam Kumar, Contact No. 040-67161568, or toll free no. 1-800-34-54-001, at [Unit: Zodiac Clothing Company Limited] Karvy Fintech 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)]:
- User ID and initial password are provided in a separate e-voting communication, being sent along with the Notice of AGM and Annual Report.**
 - 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 Thursday, 1st August 2019 at 10:00 A.M. and ends on Sunday, 4th August 2019, 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 **Monday, 29th July, 2019**, 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> (Karvy's website) or Contact:
- Mr. Shyam Kumar
Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032.
Email:evoting@karvy.com, Tel: 040-67161568
- 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 48 hours after 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 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 shares 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 resolutions through a compilation of voting results (i.e. remote e- voting and voting held at the AGM).
22. Refer reverse side of the Attendance Slip for the route map to reach the venue of the Annual General Meeting.

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

KUMAR IYER
G.M. Legal & Company Secretary
MEMBERSHIP No. – A9600

Date: 30th May, 2019
Place: Mumbai

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@zodiacmctc.com

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT
(Pursuant to section 102 of the Companies Act, 2013)**

ITEM NO. 4

The members of the Company had, through Postal Ballot conducted in March 2017, approved the re-appointment of Mr. S. Y. Noorani as the Managing Director and President of the Company for a period of 3 (three) years i.e. from 1st March, 2017 to 29th February, 2020 and the remuneration payable to Mr. S. Y. Noorani.

The Board of Directors have, pursuant to the recommendation of the Nomination and Remuneration Committee at their meeting held on 30th May 2019, subject to the approval of the members, approved the re-appointment of Mr. S.Y.Noorani as Managing Director and President for a further period of 3 (three) years w.e.f 1st March, 2020 to 28th February, 2023 on the same terms and conditions including remuneration payable.

Members are requested to kindly consider and approve the re-appointment and the remuneration payable to Mr. S. Y. Noorani, Managing Director and President of the Company for the period from 1st March, 2020 to 28th February, 2023 in terms of the applicable provisions of the Companies Act, 2013.

A brief resume of Mr. S. Y. Noorani, nature of his expertise in specific functional areas, names of companies in which he holds 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 Requirements) Regulations, 2015, and Clause 1.2.5 of Secretarial Standard 2, are provided in Annexure A. the draft of the agreement proposed to be executed with Mr. S. Y. Noorani is available for inspection at the registered office (which is also the corporate and head office) of the Company on all working days during working hours.

Broad particulars of the terms of re-appointment and the remuneration payable to Mr. S. Y. Noorani are as under:

- a) **Salary:** Basic salary: ₹ 6,00,000/- p.m. subject to the Board of Directors reviewing the increase in such salary from time to time.
- b) **Commission:** Such percentage of the net profits of the Company or such amount as may be decided by the Board of Directors for each financial year or part thereof.

Provided however that the aggregate amount of salary and commission payable for each financial year or part thereof from time to time shall be subject to such limits as may be permissible under Section 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

c) Perquisites:

- i. **Medical Reimbursement:** Medical Expenditure incurred by the Managing Director and his family as per the rules of the Company. Explanation: Family shall mean the Managing Director's wife and his dependent children.
- ii. **Provident Fund:** Contribution to Provident Fund, as per the Rules of the Company and Provident Fund Act, 1952 as per the rules prevailing from time to time.
- iii. **Encashment of Leave:** 30 days in a Calendar year and encashment of leave at the end of the tenure would be permitted.
- iv. **Gratuity:** Gratuity payable as per the law/rules relating to payment of Gratuity from time to time.

- v. **Company Car:** Entitlement to Company car with driver, the perquisite value of which shall be computed as per Rule 3 of the Income Tax Rules, 1962

- d) **Minimum Remuneration payable in case of no profits/inadequacy of profits:** In the event of absence or inadequacy of profits in any Financial Year due to any internal and/or external reasons, Mr. S. Y. Noorani will be paid the aforesaid remuneration and perquisites as minimum remuneration for that year, subject to the same not exceeding the limits prescribed under the proviso to Part A of Section II of Part II of Schedule V to the Act.

The Nomination and Remuneration Committee comprising three Independent Directors constituted as per Section 178 of the Companies Act, 2013 has recommended the aforesaid remuneration to Mr. S. Y. Noorani.

Mr. S. Y. Noorani, Managing Director & President, shall not be entitled to any sitting fees for attending meetings of the Board or any Committee thereof and shall not become interested or otherwise concerned directly or through his wife and / or children in any selling agency of the Company without prior approval of the Members.

As per the agreement entered into between Mr. S. Y. Noorani and the Company, either party can terminate the Agreement by giving not less than six calendar months' notice in writing to the other party. However, with the approval of the Board of Directors, the Agreement can be terminated forthwith by paying six month's salary to Mr. S. Y. Noorani in lieu of Notice.

Mr. S.Y. Noorani satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Notice read with Statement annexed hereto should be considered as written Memorandum setting out the terms of remuneration of Mr. S. Y. Noorani as required under Section 190 of the Companies Act, 2013.

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:

- (i) **Nature of Industry:** The Company is mainly engaged in the business of manufacturing and trading of mens clothing and accessories.

(ii) Date of commencement of commercial production:

The Company was incorporated on 14th June, 1984. The Company had since then commenced its business.

The Company has three wholly owned subsidiaries as follows:

1. Zodiac Clothing Co. S.A. (Switzerland)
2. Zodiac Clothing Co. (U.A.E.) LLC
3. Zodiac Clothing Bangladesh Limited

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

Not Applicable

(iv) **Financial performance based on given indicators: (Amounts in ₹ Lakhs)**

	F. Y. 2018-19		F. Y. 2017-18		F.Y. 2016 - 17	
	(April 2018 - March 2019)		(April 2017 - March 2018)		(April 2016 - March 2017)	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Revenue	21442.41	21582.55	23,650.42	23,817.86	27,084.05	28,240.63
Profit/ (Loss) Before Tax	(1778.51)	(2504.11)	(2078.25)	(2624.20)	(453.84)	(423.88)
Profit/ (Loss) for the period	(1844.64)	(2679.27)	(1886.90)	(2348.94)	(583.78)	(437.84)

(v) Foreign Investments or collaborations, if any:

Zodiac Clothing Company Limited has invested in 250 Equity Shares of CHF 1000 each aggregating to CHF 2,50,000 in its wholly owned subsidiary Zodiac Clothing Co. S.A. (ZCCSA). ZCC SA has invested in 300 Equity Shares of AED 1000 each aggregating to AED 3,00,000 in its wholly owned subsidiary Zodiac Clothing Co. (U.A.E.) LLC (ZCC UAE LLC). ZCC UAE LLC has invested in 10000 Equity Shares of 100 each aggregating to Rs. 10,00,000 in its wholly owned subsidiary Zodiac Clothing Bangladesh Limited.

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 Zodiac Group in 1982 and is the Managing Director & President since 1st March, 2004. He is responsible for setting up the Company's state-of-the-art 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 organization 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.

II. **INFORMATION ABOUT THE APPOINTEE:**

1) **Background details:**

Mr. S. Y. Noorani – Promoter and presently the Managing Director and President of the Company (age – 56 years) is a Commerce Graduate from the University of Mumbai and joined Zodiac group in 1982. He was responsible for establishing collapsible unit in 1982. Since the successful implementation of the same, Mr S. Y. Noorani has been responsible for the up-gradation of the various manufacturing facilities of the Group. He is presently responsible for design, manufacturing, sales and marketing of the Company.

2) **Past remuneration:**

The following is the remuneration paid/payable to Mr. S.Y. Noorani during the past five Financial Years:

Financial Year	Remuneration (₹)
2018 - 19	60,39,600
2017 - 18	60,39,600
2016 - 17	60,39,600
2015 - 16	60,39,600
2014 - 15	61,00,000

3) **Recognition or Awards:**

Under the dynamic leadership of the Managing Director & President, 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
- « Corporate Head office building of Zodiac Clothing Co. Ltd. has been awarded the

5) **Remuneration proposed:**

The remuneration paid/proposed to be paid to Mr. S. Y. Noorani is ₹ 6,00,000/- per month plus commission and perquisites as more fully described in the 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 37 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 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 the Promoter Director holding 11,46,057 shares consisting of 5.38% 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 the son of Mr. M. Y. Noorani (Chairman) and brother of Mr. A. Y. Noorani (Non-Executive Director and Vice Chairman). Mr. S. Y. Noorani does not have any relationship directly or indirectly with any other Director or Key Managerial personnel.

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profits:

The Company is present in the mid-premium to premium segments in both domestic and export markets. Discretionary spends by consumers in these segments are closely linked to macro-economic prospects, thus volume and margin pressures are expected to remain in for some time now in the near future. Furthermore, recovery in consumer spending in India continues to be gradual. The Branded business had a lower than expected 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 at 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 no returns policy. Besides, the lower turnover, higher depreciation and substantially higher store rentals, new stores under gestation/extended gestation and Forex loss, reduction of duty drawback contributed largely to the loss incurred by the company for the period ended 31st March, 2019.

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 and expects the results to fructify in the near future. The Company has also initiated process to identify and close down under-performing stores on a regular basis. During the Financial Year 2018-19, the Company has closed down 8 under-performing stores. 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 and also made substantial capital investments during the year to improve production per head. The Promoters of the Company have during the year infused ₹ 30 Crores through Preferential issue of Equity Shares and ₹ 15 Crores through Preferential issue of Convertible warrants to fund the working capital requirements and capital commitments in the short-term.

The Company's well established brand name with clear focus in the mid-premium to premium segment in the domestic markets through its branded business, strong design focus in exports business and established overseas customer base and adequate

financial flexibility amid low gearing, strategic investments in Private Equity (PE) funds that are expected to yield healthy returns, conservative approach towards growth with strong focus on quality and brand franchise is likely to result in better profitability in the near future.

IV. DISCLOSURES: -

The required disclosures have been made and shall continue to be made in the Board of Director's report under the heading "Corporate Governance", attached to the financial statement for the F. Y. 2018-19.

Mr. M. Y. Noorani and Mr. A. Y. Noorani, being relatives of Mr. S. Y. Noorani are concerned/interested in the above appointment and payment of remuneration to Mr. S. Y. Noorani. Also, Mr. S. Y. Noorani is concerned/interested since it relates to his appointment and the remuneration payable to him. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned/interested, financially or otherwise, in this resolution.

The Board of Directors recommend the passing of the resolution set out in Item No. 4 of the accompanying Notice as the same is in the interest of the Company.

ITEM NOS. 5, 6, and 7:

Pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, the members of the Company had, at the 30th Annual General Meeting of the Company held on 12th August 2014, appointed Mr. S. R. Iyer (DIN: 00580437), Mr. Y. P. Trivedi (DIN: 00001879) and Mr. Bernhard Steinruecke (DIN: 01122939) as the Independent Directors on the Board of the Company and they hold office up to 11th August, 2019.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of five consecutive years on the Board of a Company and shall be eligible for re-appointment by passing a special resolution by the Company and disclosing the same in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms of five years each.

In compliance with the provisions of section 149 read with Schedule IV of the Act, and regulations 17 (1A) of SEBI (LODR), 2015, the appointment of these directors as Independent Directors is now being placed before the Members for approval by passing Special Resolutions.

Mr. S. R. Iyer, Mr. Y. P. Trivedi and Mr. Bernhard Steinruecke, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these Independent Directors fulfil the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Directors and they are independent of the management.

Copy of draft letters of appointment of Mr. S. R. Iyer, Mr. Y. P. Trivedi and Mr. Bernhard Steinruecke setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company during normal business hours on any working day, excluding Saturday.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background, experience and contributions made by them during their tenure, the continued association of Mr. S. R. Iyer, Mr. Y. P. Trivedi and Mr. Bernhard Steinruecke shall benefit the Company immensely and therefore recommends the re-appointment of Mr. S. R. Iyer, Mr. Y. P. Trivedi and Mr. Bernhard Steinruecke

as Independent Directors of the Company for a second term of 5 years i.e w.e.f.12th August, 2019 to 11th August, 2024 by passing of the resolutions as set out in Item Nos. 5, 6 and 7 as Special Resolutions as the same is in the interest of the Company .

The Brief profile of the Independent Directors to be appointed is given in Directors Biographies, forming part of Annual Report and the nature of their expertise in specific functional areas and the names of companies in which they hold directorships and memberships / chairmanships of Board / Committees, shareholding and relationships amongst directors inter-se, pursuant to regulation

36(3) of SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 are provided in the “Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting” as annexed to this Notice.

The above Independent Directors are interested in the Resolutions mentioned in Item Nos. 5 to 7 of this Notice with regard to their respective appointments. Other than them no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in Resolutions mentioned at the Items No. 5 to 7 of this Notice.

Annexure A

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. S. Y. Noorani	Mr. S.R.Iyer
Date of Birth	15-03-1963	25-05-1940
Date of Appointment	14-05-1993	22-06-2002
Director Identification Number	00068423	00580437
Qualification	B.Com	B.SC, C.A.I.I.B.
Expertise in specific functional areas	Industrialist with expertise in setting up and up-gradation of manufacturing facilities. Presently overseeing the Company's operations, product design, manufacturing, sales and marketing.	An eminent Banker with vast knowledge and rich experience in Finance and Banking.
Directorship held in other companies	Nil	1. P N Writer And Company Private Limited 2. Writer Lifestyle Private Limited 3. Writer Business Services Private Limited 4. Waterfield Advisors Private Limited 5. Waterfield Financial And Investment Advisors Private Limited 6. Writer Safeguard Private Limited
Membership/Chairmanships of Audit and Shareholders/Investor Grievance Committee in other Companies	Nil	Nil
Number of shares held in the Company (As on 31st March 2019)	11,46,057 Equity Shares of ₹ 10/- Each	3375 Equity Shares of ₹ 10/- Each
Relationship with Directors	Son of Mr. M.Y. Noorani & Brother of Mr. A.Y. Noorani	-
Number of Meetings of the Board attended during the year	7	7

Particulars	Mr.Y.P.Trivedi	Mr. Bernhard Steinruecke
Date of Birth	06-01-1929	29-06-1955
Date of Appointment	29-01-2000	28-11-1997
Director Identification Number	00001879	01122939
Qualification	B.Com, LLB	Hons.Degree in law, University of Heidelberg, Germany
Expertise in specific functional areas	An eminent lawyer with expertise in direct ,indirect taxation and corporate laws.	An eminent Banker with a law background and well versed with International business, banking and finance.
Directorship held in other companies	1. Reliance Industries Limited 2. The Supreme Industries Limited 3. Emami Limited 4. Federation Of Indian Automobile Association 5. Sai Service Private Limited	1. The Indo German Chamber Of Commerce 2. BOSCH Limited 3. HDFC Ergo General Insurance Company Limited 4. Apollo Munich Health Insurance Company Limited 5. Nuernbergmesse India Private Limited
Membership/Chairmanships of Audit and Shareholders/Investor Grievance Committee in other Companies	Audit Committee 1. Reliance Industries Limited-Chairman Stakeholders' Relationship Committee 1. Reliance Industries Limited-Chairman	Audit Committee 1. BOSCH Limited - Member 2. HDFC Ergo General Insurance Company Limited - Chairman 3. Apollo Munich Health Insurance Company Limited-Member Stakeholders' Relationship Committee 1. BOSCH Limited -Chairman
Number of shares held in the Company (As on 31st March 2019)	23,875 Equity Shares of ₹ 10/- Each	30,375 Equity Shares of ₹ 10/- Each
Relationship with Directors	-	-
Number of Meetings of the Board attended during the year	7	3

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