



ZODIAC CLOTHING COMPANY LIMITED

CIN: L17100MH1984PLC033143

Regd. Office: Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai 400030.

Tel: +91 22 66677000 Fax: +91 22 66677279, Website: www.zodiaconline.com, email id: contactus@zodiacmtc.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration), Rules, 2014]

Notice is hereby given, pursuant to section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modifications, amendments or re-enactment thereof for the time being in force) (collectively, “Act”) and other applicable laws and regulations, approval of the Members of Zodiac Clothing Company Limited (“Company”), through Postal Ballot is being sought to transact the following special business items.

The statement pursuant to Section 102 of the Act pertaining to the said special business items setting out material facts and reasons thereof is annexed hereto along with a postal ballot form.

The Company is also pleased to offer e-voting facility as an alternate for the members which would enable the members to cast their votes electronically, instead of physical postal ballot form. E-voting is optional.

Members are requested to carefully read and follow the instructions printed in this notice and on the postal ballot form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the attached self-addressed, pre-paid postage envelope (if posted in India) so as to reach the Scrutinizer not later than 5:00 p.m. on 26th May, 2017 to be eligible for being considered, failing which, it will be considered that no reply has been received from the Member. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions for e-voting in the notes to the Postal Ballot Notice.

Upon completion of the e-voting process and scrutiny of postal ballot forms, the Scrutinizer will submit his report to the Chairman/Managing Director & President. The result of the Postal Ballot would be announced by a Director or the Company Secretary of the Company on or before 29th May, 2017 at the Registered Office of the Company. The said results will be displayed at the Registered Office of the Company and on the Company’s website viz. www.zodiaconline.com along with the Scrutinizer’s report.

SPECIAL BUSINESS:

1. Re-appointment of Mr. S. Y. Noorani (DIN: 00068423) as Managing Director and President of the Company and 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 rules issued 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 Managing Director and President of the Company, for a period of 3 (three) years with effect from 1st March, 2017, on the terms and conditions including remuneration contained in the agreement executed with Mr. S. Y. Noorani, and 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 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 the Mr. M. Y. Noorani, Mr. A. Y. Noorani, Directors 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.”

2. To approve payment of Commission to Mr. A. Y. Noorani (DIN: 00041686) Non-Executive Director and Vice Chairman 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 Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and rules issued 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), approval of the Members be and is hereby accorded for the payment of Commission to Mr. A. Y. Noorani, Non-Executive Director and Vice Chairman of the Company, of such amount not exceeding 5% (five per cent) of the Net Profits of the Company as the Board of Directors (which term shall include the Nomination & Remuneration Committee of the Board) shall determine for each financial year or part thereof w.e.f. 1st April 2017.

RESOLVED FURTHER THAT Mr. M. Y. Noorani, Mr. S. Y. Noorani, Directors 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.”

3. Revision in the Remuneration payable to Mr. Awais Noorani, Vice President- International Sales & Sourcing

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 Section 188 and all other applicable provisions of the Companies Act, 2013 (**“the Act”**) and Rules issued there under and any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof), approval of the members be and is hereby accorded for Mr. Awais A. Noorani, relative of Director/s, to continue to hold an Office or Place of Profit as Vice President – International Sales & Sourcing (or any other designation and roles which the Board / Committee of the Board may decide from time to time) on such revised annual remuneration, increments and other terms and conditions effective from 1st February, 2017 as set out in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT Mr. M. Y. Noorani, Mr. A. Y. Noorani, Mr. S. Y. Noorani, Directors 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 thing as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office: Nyloc House
254, D-2, Dr. Annie Besant Road,
Worli, Mumbai- 400030

CIN:L17100MH1984PLC033143

Website: www.zodiaconline.com
Email id: contactus@zodiac.com

Place: Mumbai

Date : 29th March, 2017

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

Kumar Iyer
Company Secretary
ACS No.: 9600

NOTES:

- 1 The Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
- 2 The Postal Ballot Notice is being sent to all the Members, whose names appear on the Register of Members / List of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 21st April, 2017.
- 3 The Postal Ballot Notice is placed in the ‘Investor Relations’ section on the Company's website: www.zodiaconline.com and on the e-voting website of Karvy, i.e. <https://evoting.karvy.com>
- 4 The Board of Directors have appointed Mr. B. Narasimhan, Proprietor BN & Associates, a Practising Company Secretary as Scrutinizer for conducting postal ballot voting process in a fair and transparent manner.
- 5 In compliance with the provisions of Sections 108 and 110 of the Companies Act, 2013 read with Rules issued thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to its Members to enable them to cast their votes on the resolutions electronically. Karvy Computershare Private Limited (**“Karvy”**), our Registrar and Transfer Agent will be facilitating e-voting to enable the Members to cast their votes electronically.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

(a) The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to “<https://evoting.karvy.com>”.
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event No. followed by Folio No. registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No 1-800-34-54-001 for any further clarifications.
- iv) Members can cast their vote online from 27th April, 2017 from 9:00 AM to 26th May, 2017 till 5:00 PM (both days inclusive). During this period, members of the Company holding shares either in physical form or in dematerialized form, may also cast their vote electronically. The e-voting module will be disabled for voting on 26th May, 2017 at 05.01 p.m. IST. Once the vote on a resolution is cast by the member, he / she shall not be allowed to change it subsequently.
- v) After entering these details appropriately, click on “LOGIN”.
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy

Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- ix) If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any company, then your existing login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' 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. If the Member does not want to cast, select 'ABSTAIN'.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no.".

(b) In case of Members' receiving Postal Ballot Form by Post:

- i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- iii) The voting period ends on the close of working hours (i.e. 5:00pm), on 26th May, 2017. The e-voting module will also be disabled by Karvy Computershare Private Limited for voting thereafter.

(c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at the Telephone No.: (Toll Free No.: 1-800-34-54-001)

(d) If you are already registered with Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote.

(e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s)
6 The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted.

7 Kindly note that the Members can opt for only one mode of voting, i.e. either by physical postal ballot or e-voting. If you are opting for e-voting, then do not vote by physical postal ballot also and vice versa. In case Members cast their vote by both physical postal ballot and e-voting, then votes cast by them through e-voting will be treated as valid and votes cast through physical postal ballot shall be treated as invalid and disregarded.

8 Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions given in the enclosed Postal Ballot Form. Postal Ballot Form duly completed with the assent (for) or dissent (against) and signed should be returned directly to the Scrutinizer in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutinizer not later than working hours (i.e.5:00 pm) on 26th May, 2017 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. Assent / Dissent received after 5 p.m. on 26th May, 2017 would be strictly treated as if reply from the Member(s) has not been received. No other Form or photocopy thereof is permitted.

9 Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the members on the cut-off date, i.e. 21st April, 2017.

10 The particulars as required by Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, including the date of completion of dispatch of notices of the 'Postal Ballot Notice' and 'Explanatory Statement' along with the postal ballot papers shall be published through an advertisement in the following newspapers: **(i) Business Standard [an English newspaper, having wide circulation in the district where the registered office of the Company is situated], (ii) Lokmat [a vernacular newspaper (in principal vernacular language of the district in which registered office of the Company is situated), having wide circulation in the district where the registered office of the Company is situated].**

11 The Scrutinizer will submit his report to the Chairman or Managing Director & President of the Company after completion of the scrutiny and the results of postal ballot will be announced on or before 29th May, 2017 at the Registered Office of the Company at Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

12 The resolutions shall be deemed to be passed on the last date specified by the Company for receipt of duly completed postal ballot forms. The result of the Postal Ballot will be communicated to the stock exchanges where the Company's shares are listed. The result will also be displayed on the Company's website www.zodiaconline.com and published in the newspapers. The result of the Postal Ballot shall also be announced at the next Annual General Meeting of the Company.

13 Notice of Postal Ballot along with Postal Ballot Form containing the process, instructions and the manner of conducting e-voting is being sent physically through the permitted mode to all the Members. Further in respect of members whose email ID's are registered with the Company/ Depository Participant(s), the Postal Ballot Form containing the process, instructions and the manner of conducting e-voting is also being sent electronically.

14 Members can vote for their entire voting rights as per their discretion.

- 15 The vote in this Postal Ballot cannot be exercised through proxy.
- 16 In case a Member is desirous of obtaining a printed duplicate Postal Ballot Form, he or she may send an e-mail to cosecy@zodiacmtc.com. The Registrar and Transfer Agent / Company shall then forward the same along with postage-prepaid self-addressed Envelop to the Member.
- 17 The scrutinizers decision on the validity or otherwise of the Postal Ballot/e-voting will be final.
- 18 The Board of Directors has appointed the Managing Director & President and the Company Secretary as the persons responsible for the entire postal ballot process
- 19 Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company and at the head / corporate office of the Company at Nyloc House, 254, D2, Dr, Annie Besant Road, Worli, Mumbai - 400030, on all working days, except Saturday between 11:00 a.m. and 1:00 p.m. up to 26th May, 2017.
- 20 Members who have not registered their email addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communications from the Company electronically.
- 21 In case of any query or grievance pertaining to e-voting, please visit the website: <https://evoting.karvy.com> or contact Ms. Shobha Anand on 1-800-34-54-001 (Toll Free No.) at Karvy Computershare Private Limited or contact:

Mr. Kumar Iyer
G.M. Legal & Company Secretary
Nyloc House, 254, D2, Dr, Annie Besant Road, Worli, Mumbai - 400030
cosecy@zodiacmtc.com
022 66677190

Registered Office: Nyloc House
254, D-2, Dr. Annie Besant Road,
Worli, Mumbai- 400030
CIN:L17100MH1984PLC033143
Website: www.zodiaconline.com
Email id: contactus@zodiac.com

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

Kumar Iyer
Company Secretary
ACS No.: 9600

Place: Mumbai
Date : 29th March, 2017

Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Postal Ballot Notice

Item No. 1

At the Thirtieth Annual General Meeting of the Company held on 12th August, 2014, the members of the Company had 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, 2014 to 28th February, 2017. At the Thirty-Second Annual General Meeting of the Company held on August 11, 2016, the members of the Company had also approved the remuneration payable to Mr. S. Y. Noorani from April 1, 2015 till the end of his term on February 28, 2017 in case of loss or inadequacy of Profits.

The Board of Directors have, pursuant to the recommendation of the Nomination and Remuneration Committee at their meeting held on 14th February 2017, subject to the approval of the members, approved the re-appointment on the same terms and conditions including remuneration payable to Mr. S. Y. Noorani, Managing Director and President of the Company for a further period of 3 (three) years w.e.f 1st March, 2017 to 29th February, 2020.

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, 2017 to 29th February, 2020 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 Requirement) Regulations, 2015, and Clause 1.2.5 of Secretarial Standard 2, are provided in **Annexure A**. A copy of the agreement 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: Rs. 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.
proviso: Provided however that the aggregate amount of salary and commission for each financial year or part thereof from time to time shall be subject to such limits as may be permissible under Section 197 of read with Schedule V to 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 requisite 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 of 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 minor 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 determine 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 his 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:

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

- (2) **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 four wholly owned subsidiaries 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. (USA)

- (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 Rs. 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	31323	35513	34059	39975	35514	41395
Profit Before Tax	(510)	(837)	1184	1267	2217	3054
Profit for the period	(361)	(821)	949	902	1493	2201

- (5) **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. (UAE) LLC (ZCC UAE LLC). ZCC UAE LLC has invested in 10,000 Equity Shares of USD 1 each aggregating to USD 10,000 in its wholly owned subsidiary Zodiac Clothing Company Inc (ZCC INC).

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background details:**

Mr. S. Y. Noorani – Promoter and presently the Managing Director and President of the Company (age – 54 years) is a Commerce Graduate from the University of Mumbai and joined Zodiac 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 upgradation of the various production facilities of the Group. He is presently responsible for design, manufacturing, sales and marketing of the Company.

- (2) **Past remuneration:**

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

Financial Year	Remuneration (Rs.)
2015 - 16	60,39,600
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)

(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 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 1st 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 Rs. 6,00,000/- per month plus 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 35 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 a Promoter Director holding 5,54,516 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 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 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, following the demonetisation.

During the first nine months period upto December 2016, 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 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 non-returns policy. Besides, the lower turnover, demonetisation, 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 period upto December 2016.

(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 2016-17, the Company has already closed down 19 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 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 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 yielding healthy returns, conservative approach towards growth with strong focus on quality and brand franchise is likely to generate better profitability in the near future.

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 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. 2016-17.

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. 1 of the accompanying Notice as the same is in the interest of the Company.

Item No. 2

The Board of Directors have, on the recommendation of the Nomination and Remuneration Committee, accepted the decision of Mr. A. Y. Noorani to not seek re-appointment as Managing Director effective from 1st March, 2017 but instead continue only as Non-Executive Director and Vice Chairman of the Company.

The Board taking into account the time to be spent, efforts and responsibilities to be undertaken by Mr. A. Y. Noorani towards the business of the Company and the recommendation of the Nomination and Remuneration Committee, has approved the payment of Commission to Mr. A. Y. Noorani, of such amount not exceeding 5% percentage of the Net Profits of the Company as the Board of Directors (which term shall include the Nomination & Remuneration Committee of the Board) shall determine for each financial year or part thereof w.e.f. 1st April 2017.

A brief resume of Mr. A. 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 Requirement) Regulations, 2015, and Clause 1.2.5 of Secretarial Standard 2, are provided in Annexure A.

Members are requested to kindly consider and approve the remuneration payable to Mr. A. Y. Noorani, Non-Executive Director and Vice-Chairman by passing a special resolution through Postal Ballot in terms of the applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Mr. M. Y. Noorani and Mr. S. Y. Noorani, being relatives of Mr. A. Y. Noorani are concerned/interested in the above payment of remuneration to Mr. A. Y. Noorani. Also, Mr. A. Y. Noorani is concerned/interested since it relates to 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. 2 of the accompanying Notice as the same is in the interest of the Company.

Item No. 3

The Board of Directors have, pursuant to the recommendation of the Nomination and Remuneration Committee at their meeting held on 14th February 2017, subject to the approval of the members, approved the revision in the remuneration payable to Mr. Awais Noorani, Vice President – International Sales & Sourcing of the Company effective from 1st February, 2017.

In terms of Section 188(1)(f) of the Companies Act 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014, any appointment/continuation of a relative of a related party to an office or place of profit in the Company carrying a monthly remuneration in excess of Rs. 2,50,000/- per month has to be approved by the Members of the Company by passing a special resolution.

Mr. Awais Noorani is a related party in terms of Section 188 of the Companies Act, 2013 as he is the son of Mr. A. Y. Noorani, Non- Executive Director and Vice- Chairman, Grandson of Mr. M. Y. Noorani, Chairman & Director and Nephew of Mr. S.Y. Noorani, Managing Director & President, therefore his employment is deemed to be of an office or place of profit in the Company.

Mr. Awais A. Noorani joined the Company on 1st June 1993 and was salaried from 1st January 2003 and is presently designated as Vice President- International Sales & Sourcing. Mr. Awais A. Noorani is a B.Com. M.B.A from IMD, Lausanne, Switzerland and has over 24 years' experience in the Clothing business. Presently he is responsible for Export Sales & Servicing. Accordingly taking into account his experience and contribution to the Company's business and the need of his services the Board of Directors have based on the recommendation of the Nomination & Remuneration Committee, approved the following revised remuneration payable to Mr. Awais A. Noorani as Vice President- International Sales & Sourcing effective from 1st February 2017. Material terms, monetary value and particulars of the contract or arrangement with Mr. Awais A. Noorani and all other relevant information are as follows:

1. Salary Details: The remuneration payable to Mr. Awais Noorani with effect from 1st February, 2017 would be comprising of Basic Salary, House Rent Allowance, Conveyance Allowance, Educational Allowance, Leave Travel Allowance, Guaranteed Bonus, Special Incentive, Performance Linked Compensation as per Company's Policy, Reimbursement of Medical, Periodicals, Driver Salary, Petrol Expenses, Telephone Expenses and Mobile Expenses, Provision of Car with maintenance for the Company's business, Provident Fund, Gratuity and Medical Insurance Premium and other benefits as per the Company's policy with such annual/special increments, performance pay as per Company's policy as may be decided by the Board or any Committee thereof in its absolute discretion from time to time, subject to the same not exceeding Rs. 98,00,000 (Rupees Ninety Eight Lakhs) per annum in any Financial Year.
2. Duties and Responsibilities:
 - Identifying most competitive sources in terms of quality, price, and other terms and procuring ready goods at globally competitive prices for the organization;
 - Keeping company fully abreast of product development at various centers in India and abroad;

- Visiting international exhibitions for developing supply sources, product development and sales;
- Visiting suppliers in India and abroad for sourcing of fabrics and ready goods;
- Visiting customers in foreign countries and overseeing of export sales;
- Interaction with company's sales offices and with agents of the Company;
- Interaction with design and product development teams;
- Interaction with the merchandising, production and logistics teams.

3. Location: The appointee shall be located at Mumbai.

4. Reporting relationship: The appointee shall report to the Managing Director & President.

The members may kindly note that as per the Special Resolution passed through Postal Ballot dated 24th February, 2015, the approved remuneration was upto a maximum of Rs. 81,00,000 (Rupees Eighty One Lakhs) per annum for the period from 1st February 2015 to 31st January 2016 and Rs. 89,10,000 (Rupees Eighty Nine Lakhs Ten Thousand) per annum for the period from 1st February 2016 to 31st January 2017.

Members are requested to kindly consider and approve the revised remuneration payable to Mr. Awais Noorani, Vice President – International Sales & Sourcing, by passing a special resolution through Postal Ballot in terms of the applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

The Board of Directors of the Company recommend the resolution set out in Item No. 3 for your approval as a Special Resolution through Postal Ballot as the same is in the interest of the Company.

Apart from Mr. A. Y. Noorani, father, Mr. M. Y. Noorani, Grandfather and Mr. S. Y. Noorani, Uncle of Mr. Awais Noorani, none of the Other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned / interested, financially or otherwise, in this resolution.

Annexure A

DETAILS OF DIRECTORS

Particulars	Mr. S. Y. Noorani	Mr. A. Y. Noorani
Date of Birth	15-03-1963	11-12-1950
Date of First Appointment	14-05-1993	14-06-1984
Director Identification Number	00068423	00041686
Qualification	B. Com.	B. Com., Advance Management Programme at Harvard Business School
Expertise in specific functional areas	Industrialist with rich Business Expertise	Industrialist with rich Business Expertise
Directorship(s) held in other companies	Zodiac Finsec and Holdings Limited	Zodiac Finsec and Holdings Limited
Membership/Chairmanships of Audit, Nomination and Remuneration and Shareholders/ Investor Grievance Committee and all other committees of boards of other Companies	Nil	Nil
Shareholding in the Company Number of shares held in the Company (As on 29th March 2017)	5,54,516	9,73,071
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mr. M. Y. Noorani, Chairman & Brother of Mr. A. Y. Noorani, Non Executive Director and Vice Chairman	Son of Mr. M. Y. Noorani, Chairman & Brother of Mr. S. Y. Noorani, Managing Director & President
Number of Meetings of the Board attended during the year	6	6

Registered Office: Nyloc House
254, D-2, Dr. Annie Besant Road,
Worli, Mumbai- 400030
CIN:L17100MH1984PLC033143
Website: www.zodiaconline.com
Email id: contactus@zodiac.com

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

Kumar Iyer
Company Secretary
ACS No.: 9600

Place: Mumbai

Date : 29th March, 2017