

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 38th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of Zodiac Clothing Company Limited will be held on Friday, 30th September, 2022 at 3:00 p.m. (IST), through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM") facility to transact the following Businesses.

The proceedings of the 38th Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at Nyloc House, 254, D2, Dr. Annie Besant Road, Mumbai - 400030.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2022 and the reports of the Board and the Auditors thereon.
- 2) To appoint a Director in place of Mr. A. Y. Noorani (DIN: 00041686), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) **Appointment of Statutory Auditors**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) be and are hereby appointed as the Statutory Auditors of the Company for a term of five (5) years commencing from the conclusion of the 38th Annual General Meeting till the conclusion of the 43rd Annual General Meeting of the Company to be held in 2027 for the FY 2026-27 on a remuneration of ₹20,00,000/- (Rupees Twenty Lacs Only) for the FY 2022-23 & FY 2023-24 and Rs. 22,00,000/- (Rupees Twenty Two Lacs Only) for FY 2024-25 to FY 2026-27 plus applicable taxes and out-of-pocket expenses actually incurred during the course of audit.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution."

B. SPECIAL BUSINESS:

- 4) Re-appointment of Mr. S. Y. Noorani (DIN: 00068423) as the Managing Director 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 of the Company, for a period of 3 (three) years with effect from 1st March, 2023, 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, 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 Dr. Naushad Darius Forbes (DIN: 00630825) aged 62 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), Dr. Naushad Forbes (DIN: 00630825) aged 62 years, who was appointed as an Independent Director on 29th March, 2018 and holds office upto 28th March, 2023 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 29th March, 2023 to 28th March, 2028.

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) **To approve material related party transaction limits with Zodiac Metropolitan Clothing GMBH**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014, as applicable including any statutory modifications or amendments or re-enactments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Audit Committee or any other Committee thereof for the time being exercising the powers conferred by this Resolutions) to enter into agreement(s) / contract(s) / arrangement(s) / transaction(s) with Zodiac Metropolitan Clothing GMBH, a Related Party as defined under

the Companies Act, 2013 and Listing Regulations, the value of which either singly or all taken together may exceed 10 (ten) percent of annual consolidated turnover as per audited financial statements of the Company, during the current financial year 2022-23, relating to sale, supply of any goods or services, payment of commission, or any other transaction/s, for an amount not exceeding in the aggregate of ₹25.00 Crores (Rupees Twenty Five Crores), on such terms and conditions as may be mutually agreed between the Company and Zodiac Metropolitan Clothing GMBH.

RESOLVED FURTHER THAT the Board or person(s) as may be authorized by the Board be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and to approve aforesaid agreement(s) / contract(s) / arrangement(s) / transaction(s) and further to do all such acts, deeds, matters and things and finalise the terms and conditions and to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in

its/their absolute discretion pursuant to the above Resolution as may be considered necessary or incidental thereto.”

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

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

Date: 12th August, 2022
Place: Mumbai

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

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular nos. 14/2020 and 17/2020 dated 08th April, 2020, and 13th April, 2020, respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19” and circular nos. 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022, dated 05th May, 2020, 13th January, 2021, 08th December, 2021, 14th December, 2021 and 05th May, 2022 respectively in relation to “Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)-reg.” (collectively referred to as ‘MCA Circulars’) permitted the Companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31st December, 2022 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for year 2022 and considering the above MCA Circulars, Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (‘SEBI Circular’) provided relaxation upto 31st December, 2022, from Regulation 36(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) which requires sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 (‘Act’) to the shareholders who have not registered their email addresses. In compliance with the MCA Circulars and SEBI Circular, the AGM of the members of the Company is being held through VC / OAVM.
2. The Company has enabled the Members to participate at the 38th AGM through the VC/OAVM facility provided by KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (KFinTech), Registrar and Share Transfer Agents (RTA). The instructions for participation by Members are given in the subsequent paragraphs. Participation at the 38th AGM through VC/OAVM shall be allowed on a first-come-first-served basis.
3. As per the provisions under the MCA circulars, members attending the 38th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company has provided the facility to members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the 38th AGM. The process of remote e-voting is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 38th AGM being held through VC/OAVM.
5. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the 38th AGM. The members who have cast their vote by remote e-voting prior to the AGM may also join the 38th AGM through VC/OAVM but shall not be entitled to cast their vote again.
6. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the 38th AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since, the 38th AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the members will not be available for the 38th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Corporate members intending to let their authorised representatives attend the Meeting through VC/OAVM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote through VC/OAVM on their behalf at the Meeting pursuant to Section 113 of the Act. The said Resolution/ Authorisation shall be sent to the Company with a copy marked to evoting@kfintech.com.
8. 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.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 21st September, 2022, to Friday, 30th September, 2022 (both days inclusive).
10. In terms of the MCA Circulars and relevant circulars issued by the Securities and Exchange Board of India, the Notice of the 38th AGM along with the Annual Report for the financial year 2021-22, the Notice and the Annual Report is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company’s RTA, KFinTech or the Depository Participant(s). The Company will not be dispatching physical copies of Notice of AGM and Annual Report to any Member.
11. Members are requested to register/update their email addresses, in respect of shares held in dematerialized mode/physical mode and who have not registered /updated their email addresses, may get their email address and mobile number registered with the Depository Participant(s)/Company’s RTA KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) respectively to receive electronically the Annual Report, 38th AGM notice and voting instructions along with their user ID and password. In case of any queries, members may write to ris@kfintech.com or call at 1800 309 4001 (Toll free).
12. A copy of the Notice of this AGM alongwith Annual Report for the financial year 2021-2022 is available on the website of the Company at www.zodiaconline.com, website of the Stock

Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin Technologies Limited at <https://evoting.kfintech.com>

13. 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, 5 & 6 of the accompanying Notice is annexed hereto.
14. A brief resume of the Directors proposed to be re-appointed, 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 Disclosure Requirements) Regulations, 2015, are provided in Annexure A to the Notice under Details of Director seeking re-appointment at the 38th Annual General Meeting.
15. Relevant documents referred to in the accompanying Notice and the Statement shall be provided for electronic inspection by the members from 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.
16. 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.
17. As per Regulation 40 of SEBI Listing Regulations, as amended, any requests for transfer, transmission or transposition of securities of the Companies shall be effected only in dematerialized form. To eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Share Transfer Agent for assistance in this regard.
18. All unclaimed dividends up to the Dividends for the year upto 2013-14 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 2014-15 is due for transfer to IEPF on or before 17th October, 2022. Members whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF Authority in the prescribed Form No. IEPF-5 by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.
19. 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 along with 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.

20. 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 along with 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 2014-15 and thereafter, are requested to claim it from KFinTech immediately.
21. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. KFin Technologies Ltd, (Formerly known as KFin Technologies Private Limited) Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana India. Toll free No. 1-800-309-4001, E-mail: einward.ris@kfintech.com.
22. 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.
23. 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, KFinTech, if not already submitted.
24. Members are requested to:
 - i. Quote Registered Folio / Client ID and DP ID in all their correspondence.
 - ii. For ease of conduct of the 38th AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id investordesk@zodiacmtc.com, at least 10 days before the date of the 38th AGM, mentioning their name, demat

account no. /folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the 38th AGM.

25. SEBI has mandated the submission of PAN, KYC and nomination details by Members holding shares in physical form by 31st March, 2023, and linking PAN with Aadhaar by 31st March, 2022 vide its circulars dated 03rd November, 2021 and 14th December, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to Company's RTA Kfintech Technologies Ltd. The forms for updating the same are available at <https://www.ris.kfintech.com> and on Company's website i.e. www.zodiaconline.com. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the Share Transfer Agent / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

26. INSTRUCTIONS FOR MEMBERS ATTENDING THE 38th AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Members will be provided with a facility to attend the 38th AGM through video conferencing platform provided by Kfintech. Members are requested to login at <https://emeetings.kfintech.com> and click on the "Video Conference" tab to join the Meeting by using the remote e-voting credentials.
- ii. Please note that members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 25 and 26.
- iii. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Members will need the latest version of Google Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
- iv. Members can join the 38th AGM in the VC/OAVM mode 15 minutes before the scheduled time of commencement of the meeting by following the procedure mentioned at point (a) above, and this mode will be available throughout the proceedings of the 38th AGM.
- v. Members who may want to express their views or ask questions may visit <https://emeetings.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries in the window provided, by mentioning their name, demat account number/ folio number, e-mail ID and mobile number. The window shall remain active during the remote e-voting period.
- vi. In addition to the above-mentioned step, the members may register themselves as speakers for the 38th AGM to pose their queries. Accordingly, the members may visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during the remote e-voting period. The Company reserves the right to restrict the speakers at the 38th AGM to only those Members who have registered themselves, depending on the availability of time for the 38th AGM.

- vii. Members will be required to grant access to the web-cam to enable a two-way video conferencing.
- viii. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM at <https://evoting.kfintech.com//instapoll>. E-voting during the AGM is integrated with the VC/OAVM platform. Members may click on the voting icon ("Thumb sign") on the left side of the screen to cast their votes.
- ix. In case of any query and/or help, in respect of attending 38th AGM through VC/OAVM mode, members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC/OAVM' user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Shyam Kumar, Kfintech at Selenium Tower B, Plot 31&32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032, Telangana. or at the email ID evoting@kfintech.com or call Kfintech's toll free No.: 1800-309-4001 for any further clarifications.

27. Voting Instructions:

- i. 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 the 38th AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the 38th AGM) and through e-voting during the 38th AGM, for which purpose the Company has engaged the services of Kfintech to facilitate remote e-voting.
- ii. Please note that the Members can opt for only one mode of voting i.e. e-voting during the meeting or remote e-voting. If members opt for remote e-voting, then they should not e-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.
- iii. The Board of directors have appointed Mr. B. Narasimhan, Proprietor B.N. & Associates, a Practising Company Secretary as the Scrutinizer for conducting the Remote e-voting process and e-voting at the 38th AGM in a fair and transparent manner. The Scrutinizer's decision on the validity of the votes shall be final.
- iv. Voting rights will be reckoned on the paid-up value of the shares registered in the name of the Members as on 21st September, 2022 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 38th AGM.
- v. 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.
- vi. 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 2nd October, 2022 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 Kfintech (<https://evoting.kfintech.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 instructions for e-voting are as under:

- A. In case a Member receiving an email of the 38th AGM Notice from





KFintech [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
- ii. 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 KFintech for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, Click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVENT” i.e., Zodiac Clothing Company Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the scrutinizer at <https://evoting.kfintech.com>. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_ EVENT NO.”
- xiii. In case a person has become a member of the Company after the electronic dispatch of AGM Notice but on or before the cut-off date i.e. 21st September, 2022, he/she may write to the KFintech on the email Id: <https://evoting.kfintech.com> or to Mr. Shyam Kumar, toll free no. 1-800-309-4001, at [Unit: Zodiac Clothing Company Limited] KFin Technologies Ltd, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad - 500 032 Telangana, 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.

Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholder/s	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS “Portal or click” at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

- B. In case of Members who have not registered their e-mail address (including Members holding shares in physical form), please follow the steps for registration of e-mail address and obtaining User ID and Password for e-voting as mentioned in Note No. 11 of the “Notes” section above.
- i) User ID and initial password are provided in a separate e-voting communication, being sent along with the Notice

of 38th AGM and Annual Report.

- ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. **The e-voting period commences on Monday, 26th September, 2022 at 09:00 A.M. and ends on Thursday, 29th September, 2022, 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 Saturday, 21st September, 2022, 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 again 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.kfintech.com> (KFintech's website) or Contact: Mr. Shyam Kumar

KFin Technologies Ltd (Formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Email: <https://evoting.kfintech.com>, Toll Free No.: 1-800-309-4001

- E. Voting at the 38th AGM will be through electronic voting system. The Scrutinizer shall after scrutinizing the votes cast at the 38th AGM and through remote e-voting, make a Consolidated Scrutinizers Report and submit the same to the Chairman/Managing Director of the Company and not later than 48 hours after the conclusion of the 38th 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 KFintech i.e. <https://evoting.kfintech.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 38th AGM, subject to receipt of sufficient votes in favour of the resolution/s through a compilation of voting results (i.e. remote e-voting and electronic voting held at the 38th AGM).

28. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the 38th AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the 38th AGM. Since the 38th AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

By Order of the Board of Directors
For **ZODIAC CLOTHING COMPANY LIMITED**

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

Date: 12th August, 2022
Place: Mumbai

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

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

ITEM NO. 3

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s Price Waterhouse Chartered Accountants LLP, the existing Statutory Auditors of the Company shall be completing their term as Statutory Auditors of the Company at the conclusion of the ensuing 38th Annual General Meeting ('AGM').

The Board of Directors has on the recommendation of the Audit committee and subject to approval of the shareholders, appointed M/s MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) as statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 38th AGM till the conclusion of the 43rd AGM.

M/s MSKA & Associates, established in 1978 is an Indian Partnership firm registered with the ICAI and the PCAOB (US Public Company Accountancy Oversight Board). The firm is a member firm of BDO International.

M/s MSKA & Associates have their Offices across 10 key cities in India i.e. Mumbai, Gurugram, Kolkata, Ahmedabad, Pune, Goa, Bangalore, Chennai, Kochi and Hyderabad and provides a range of services including Audit & Assurance, Taxation and Accounting Advisory.

M/s MSKA & Associates have consented to act as the Auditors of the Company and have confirmed that their appointment, if made, will be within the limits specified under sections 139 and 141 of the Act. They have also confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

ITEM NO. 4

The current term of appointment of Mr. S. Y. Noorani, as the Managing Director of the Company ends on 28th February, 2023.

The Board of Directors have on the recommendation of the Nomination and Remuneration Committee at their meeting held on 30th May 2022, subject to the approval of the members, approved the re-appointment of Mr. S.Y. Noorani as Managing Director for a further period of 3 (three) years w.e.f 1st March, 2023 to 28th February, 2026 on the same terms and conditions including remuneration as paid currently.

Members are requested to kindly consider and approve the re-appointment and the remuneration payable to Mr. S. Y. Noorani, Managing Director of the Company for the period from 1st March, 2023 to 28th February, 2026 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 along with listed entities from which he has resigned in the past three years, 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. The draft of the agreement proposed to be executed with Mr. S. Y. Noorani is

available for inspection at the registered 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 of three Independent Directors constituted as per Section 178 of the Companies Act, 2013 has recommended the aforesaid terms of appointment and the remuneration payable to Mr. S. Y. Noorani.

Mr. S. Y. Noorani, Managing Director, 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 terms Mr. S. Y. Noorani or the Company 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, retailing and trading of men's clothing

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

	F. Y. 2021 - 22		F. Y. 2020-21		F. Y. 2019-20	
	(April 2021 - March 2022)		(April 2020 - March 2021)		(April 2019 - March 2020)	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Revenue	12823.76	12665.20	9994.97	10009.84	18938.71	19082.42
Profit/(Loss) Before Tax	(883.76)	(1646.41)	(2316.53)	(2976.26)	(2335.42)	(3004.51)
Profit/(Loss) for the period	(988.11)	(1636.86)	(2390.86)	(2938.18)	(2132.79)	(2896.54)

(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 2,31,174 Equity Shares of Tk. 100 each aggregating to Tk. 2,31,17,400 in its wholly owned subsidiary Zodiac Clothing Bangladesh Limited. ZCC UAE LLC has committed to invest in 10,000 Equity Shares of USD 1 each aggregating to USD 10,000 in its wholly owned subsidiary Zodiac Clothing Company INC.

II. INFORMATION ABOUT THE APPOINTEE:

1) Background details:

Mr. S. Y. Noorani – Promoter and presently the Vice Chairman & Managing Director of the Company (age – 59 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.

2) Past remuneration:

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

Financial Year	Remuneration (Rs.)
2021 - 22	NIL (Voluntarily Waived off)
2020 - 21	NIL (Voluntarily Waived off)
2019 - 20	NIL (Voluntarily Waived off)
2018 - 19	60,39,600
2017 - 18	60,39,600

and accessories.

(ii) Date of commencement of commercial production:

The Company was incorporated on 14th June, 1984 and commenced its business.

The Company has four 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
4. Zodiac Clothing Company INC

(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

3) Recognition or Awards:

Under the dynamic leadership of the Managing Director, 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 Zodiac Group in 1982 and is the Managing Director 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.

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 Vice Chairman & Managing Director of the Company is a veteran in the clothing industry with over 40 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, holds directly 26,81,344 shares and through investment company 31,54,882 shares aggregating to 23.57% of the total paid-up Capital of the Company.

Apart from the remuneration as stated above and dividend, if any as a member of the Company, he does not receive any other emoluments from the Company. Mr. S. Y. Noorani is the brother of Mr. A. Y. Noorani (Non-Executive Director and 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 Clothing business continues to be one of the most challenging business to sustain due to short product life cycle, volatile fashions, unpredictable market trends and impulse purchase nature of the consumer. The pandemic apart from being a major restraint on the clothing industry has also led to the drastic decline in clothing consumption, patchy demand, supply chain disruptions, cancellation of orders and cut down in discretionary spending by consumers. This has severely impacted the profitability of the clothing industry including our business as the company caters to the mid-premium to premium segments in both the domestic and export markets.

Further the lower than expected turnover of the company's branded business due to the distress in the independent retailer segment caused by unprecedented disruption of markets, 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 etc. has also affected the company's performance adversely. The company has however 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.

Apart from lower turnover, fear of COVID, higher depreciation and substantially higher store rentals, new stores under gestation/extended gestation and Forex loss, reduction of duty drawback etc has also been a major contributor to the loss incurred by the company during the FY 2021-22.

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

With the expected growth of the Indian economy post the pandemic on the back of sustained consumer demand and the increasing disposable income of a large population base, the clothing consumption in India is expected to grow steadily. The company expects to take full advantage of the same.

With India having signed FTA's with UAE and Australia and expected to finalise the FTA with the UK by this November, the company expects substantial growth in its exports.

With the company continuing its strong focus on delivery of KPI's like increase footfalls/conversion rates /sharpened inventory control to ensure consumer satisfaction, the company expects to return to profitability soon.

The Company is also geared to scale up its operations to meet the demands of the offline and online retail of its existing and new customers, which will improve the company's profitability in the year ahead.

The Company has already implemented 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. 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:

Taking into account the current volatile economic scenario and sharp Inflationary pressures, potential restrictions/lockdowns due to omicron and other variants and the anticipated GST hike on clothing, the ongoing Russia- Ukraine war it would not be prudent to project the expected increase in productivity and profits for the year ahead at this stage.

However the Company being a 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 is expected 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. 2021-22.

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 NO. 5

Pursuant to the provisions of Section 149,152 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), the members of the Company had, at the 34th Annual General Meeting of the Company, appointed Dr. Naushad Forbes (DIN: 00630825), as the Independent Director on the Board of the Company and he hold office up to 28th March, 2023.

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.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 ("the Act"), from a Member proposing the candidature of Dr. Naushad Forbes for the office of Independent Director of the Company. Dr. Naushad Forbes has conveyed his consent to act as an Independent Director of the Company for a second term. Dr. Naushad Forbes Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listig Regulations"). In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Dr. Naushad Forbes as Independent Director is now being placed before the Members for approval.

Copy of draft letter of appointment of Dr. Naushad Forbes setting out the terms and conditions of his appointment is 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 the background, experience and contributions made by him during his tenure, the continued association of Dr. Naushad Forbes will benefit the Company immensely and therefore recommends the re-appointment of Dr. Naushad Forbes as Independent Director of the Company for a second term of 5 years i.e w.e.f. 29th March, 2023 to 28th March, 2028 by passing of the resolution as set out in Item No. 6 as Special

Resolution as the same is in the interest of the Company .

A Brief profile of Dr. Naushad Forbes is given in Directors Biographies, forming part of Annual Report and the nature of his expertise in specific functional areas and the names of companies in which he holds directorships and memberships / chairmanships of Board / Committees, shareholding and relationships amongst directors inter-se, pursuant to regulation 36(3) of SEBI Listing Obligation 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.

Dr. Naushad Forbes is interested in the Resolution mentioned in Item No. 5 of this Notice with regard to his appointment. Other than that no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in Resolutions mentioned at the Item No. 6 of this Notice.

ITEM NO. 6

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board (which expression shall include the Audit Committee or any other Committee thereof for the time being exercising the powers conferred by this Resolutions) and prior approval of the members by an ordinary resolution in case certain related party transaction/s exceed such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions entered into by Zodiac Clothing Company Ltd. ("Company") in its ordinary course of business and on an arms length basis.

With effect from 01st April, 2022, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with the Company's Policy on Related Party Transactions, provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

The Company, in order to further its business interests, enters into transactions with its related parties. Amongst these transactions, the estimated value of transactions with Zodiac Metropolitan Clothing GMBH ("ZMC GMBH"), a related party under Regulation 2(1) (zb) of the Listing Regulations, during the financial year 2022-23 is expected to exceed the materiality threshold as stated above.

Details of Material Related Party Transaction:

Sr. No.	Particulars	Details
1	Name of the Related Party	Zodiac Metropolitan Clothing GMBH ("ZMC GMBH").
2	Nature of Relationship with the Company	ZMC GMBH is a company in which Mr. S. Y. Noorani and Mrs. Muna A. Noorani w/o/f Mr. A. Y. Noorani indirectly holds (through a holding Company) 49% and 51% respectively of the share capital.
3	Type, material terms and particulars of the proposed transaction	Exports made in European and U.K. territory.
4	Tenure of the proposed transaction	Recurring Transactions for a duration of five financial years commencing from financial year 2022-23 to financial year 2026-27.
5	Value of proposed Transaction	Not exceeding ₹25 crores in a financial year.
6	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	19.80%

Sr. No.	Particulars	Details
7	a) Details of the source of funds in connection with the proposed transaction b) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • Nature of indebtedness; • Cost of funds; and • Tenure; c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured d) Purpose for which funds will be utilized	Not applicable, as the transaction does not relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.
8	Justification as to why the RPT is in the interest of the Company	The Company is engaged in the business of manufacture, retail, export of clothing and accessories. Generally the company's exports are on FOB terms only, however to ensure stability of supplies, logistics and to meet the requirements of some of the company's customers in the European Union (EU) and the United Kingdom (UK) territory who do not want to undertake the hassles of import clearance and accordingly insist on just in time landed delivery/ies to their warehouses or stores, the Company supplies the goods to Zodiac Metropolitan Clothing GMBH ("ZMC GMBH") and invoices them for the same including for reimbursement of freight and insurance paid by the Company. In cases where goods are supplied by the Company directly to the customers sourced and referred by ZMC GMBH, the Company is required to pay a commission of 7.5% on the FOB value of the invoice to ZMC GMBH. Both the said transactions of the Company with ZMC GMBH are long term in nature and shall help the company in supplying and servicing to its export customers and markets in Europe and UK hence the same are necessary, normal and incidental to the Company's business and play a significant role in the Company's export business operations and are generally in the ordinary course of business and on arm's length basis with reference to similar transactions undertaken with unrelated parties.
9	Details about valuation, arms length and ordinary course of business	These transactions are on arm's length basis and in the ordinary course of business.
10	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Not Applicable.
11	Any other information relevant or important for the shareholders to take an informed decision	All relevant information forms a part of this Explanatory statement setting out material facts.

The said transactions of the Company with ZMC GMBH will also be tested under the Indian Transfer Pricing Regulation of the Income Tax Act, 1961.

As per Regulation 23 of the SEBI Listing Regulations and read with applicable provisions of the Companies Act 2013, related parties as per regulation 2(1) (zb) are not permitted to vote to approve the resolutions set out in item no. 6 of this Notice whether the related party is a related party to the aforesaid transaction or not.

The Board is of the opinion that the aforesaid Resolution set out at Item No. 6 of the accompanying Notice is in the best interest of the Company and its members and hence, commends the Resolution set out under Item No. 6 for approval by the Members of the Company.

Mr. A. Y. Noorani and Mr. S.Y. Noorani are deemed to be concerned/interested in the above transaction, save and except the above, none

of the other Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in this resolution.

By Order of the Board of Directors
For **ZODIAC CLOTHING COMPANY LIMITED**

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

Date: 12th August, 2022
Place: Mumbai

Annexure A

DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE 38th ANNUAL GENERAL MEETING

Particulars	Mr. A. Y. Noorani	Mr. S. Y. Noorani	Dr. Naushad Forbes
Date of Birth	11-12-1950	15-03-1963	13-05-1960
Date of Appointment	14-06-1984	14-05-1993	29-03-2018
Director Identification Number	00041686	00068423	00630825
Qualification	Bachelor of Commerce, Advance Management Programme at Harvard Business School	Bachelor of Commerce	Bachelors, Masters and PhD in Engineering degrees from Stanford University
Expertise in specific functional areas	Industrialist with rich Business Expertise	Industrialist with expertise in setting up and upgradation of manufacturing facilities. Presently overseeing the Company's operations, product design, manufacturing, sales and marketing.	Industrialist with rich Business Expertise
Directorship held in other Public Companies	None	None	1. Bajaj Holdings & Investment Limited, 2. Bajaj Finserv Limited, 3. Bajaj Auto Limited, 4. Bajaj Finance Limited
Membership/Chairmanships of Audit and Stakeholders Relationship Committee in other public Companies	None	None	Audit Committee membership - Bajaj Holdings & Investments Ltd., Bajaj Finance Ltd., Bajaj Auto Ltd. Audit Committee Chairmanship - Bajaj Finserv Ltd. Stakeholders Relationship Committee Membership - Bajaj Holdings & Investments Ltd., Bajaj Finserv Ltd.
Number of shares held in the Company (As on 31st March 2022)	28,99,899 Equity Shares of ₹ 10/- Each	26,81,344 Equity Shares of ₹ 10/- Each	71,714 Equity Shares of ₹ 10/ each
Relationship with Directors	Brother of Mr. S. Y. Noorani	Brother of Mr. A. Y. Noorani	-
Number of Meetings of the Board attended during the year	4	4	2