
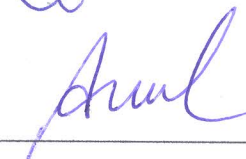
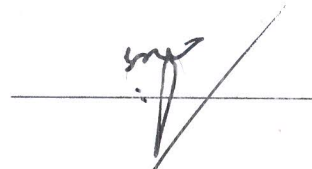
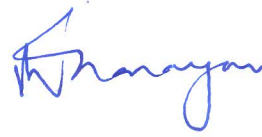

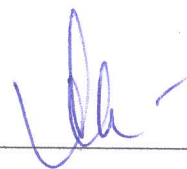
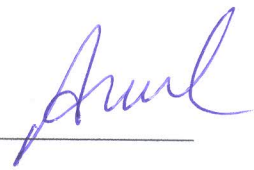
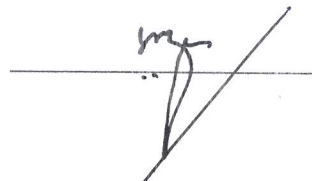



FORM A

1.	Name of the Company	Zodiac Clothing Company Limited
2.	Annual Standalone financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	FOR ZODIAC CLOTHING COMPANY LIMITED <ul style="list-style-type: none">• Vice-Chairman & Managing Director A. Y. Noorani  • CFO Aneel Saraff  • Audit Committee Chairman S.R. Iyer  • Auditor of the company FOR DELOITTE HASKINS & SELLS LLP Chartered Accountants (Registration No. 117366W/W-100018)  R. Laxminarayan Partner (Membership No: 33023)  Place: Mumbai Date: July 16, 2015

FORM A

1.	Name of the Company	Zodiac Clothing Company Limited
2.	Annual Consolidated financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	FOR ZODIAC CLOTHING COMPANY LIMITED • Vice-Chairman & Managing Director A.Y. Noorani  • CFO Aneel Saraff  • Audit Committee Chairman S.R.Iyer  • Auditor of the company Refer our Audit Report dated 27 th May 2015 on the Consolidated Financial Statements of the Company. FOR DELOITTE HASKINS & SELLS LLP Chartered Accountants (Registration No. 117366W/W-100018)  R. Laxminarayan Partner (Membership No: 33023) Place: Mumbai Date: July 16, 2015



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 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty First Annual General Meeting of Zodiac Clothing Company Limited will be held at Nehru Centre, Hall of Culture, Dr. Annie Besant Road, Worli, Mumbai - 400 018, Maharashtra on Wednesday, 12th August 2015 at 3:00 p.m. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Final dividend on Equity Shares.
3. To appoint a Director in place of Mr. S.Y. Noorani (DIN: 00068423), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS:

5. **To appoint Mr. Saumitra Chaudhuri, (DIN 06982558) as an Independent Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the ‘Act’) read with Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), Mr. Saumitra Chaudhuri (DIN 06982558), an Additional Director (Non-executive & Independent) of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment 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 Director, be and is hereby appointed as a Non-executive & Independent Director of the Company, not liable to retire by rotation, for a term upto 11th November 2019.”

6. **To appoint Ms. Elizabeth Jane Hulse, (DIN 07094093) as an Independent Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the ‘Act’) read with Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), Ms. Elizabeth Jane Hulse (DIN 07094093), an Additional Director (Non-executive) of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing

her candidature for the office of Director, be and is hereby appointed as a Non-executive & Independent Director of the Company, not liable to retire by rotation for a term upto 11th August 2020.”

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

Dated : 10th June 2015
Place : Mumbai,
KUMAR IYER
G.M Legal &
Company Secretary

Registered Office:

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. **HOWEVER A PERSON APPOINTED AS A PROXY SHALL ACT ON BEHALF OF SUCH MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.** THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement under Section 102 of the Companies Act 2013 in respect of item Nos. 5 and 6 to be transacted at the Meeting is appended hereto and forms an integral part hereof.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. A brief resume of each of the directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Details of Directors seeking Appointment/ Re-appointed at the Annual General Meeting annexed herewith as Annexure A.
5. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday 31st July 2015 to Wednesday 12th August 2015 (both days inclusive).
9. The dividend as may be declared shall be payable to members of the Company whose names appear:
 - (a) As Beneficial Owners as at the end of business hours on 30th July 2015 as per the download to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., in respect of the shares held in electronic form and
 - (b) As members on the Register of Members of the Company as at 12th August, 2015.
 - (c) The dividend on Equity shares, if declared at the Meeting, will be credited/dispatched on or before 31st August 2015.
10. Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation the company has already implemented the NECS facility provided by RBI. Members are requested to provide the Company with ECS mandate for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to coordinate with the bankers for payment electronically only on receipt of the necessary information. The main information required therein is the type of account, name of the bank and the account number MICR no and / or IFSC code. It should be signed by all the holders, as per the specimen signature recorded with the Company / Depository Participant. For electronic shares, the relevant information may be provided to the concerned DP with whom the demat account is operational. For the shares held in Physical form it may be sent to Karvy the Registrar and share transfer agent.
11. Members holding shares in dematerialised form may please note that the bank details as furnished by the respective Depositories to the Company will be used for the purpose of distribution of dividend as directed by the Stock Exchanges. In the absence of electronic credit facility, the bank account details, if available, will be printed on

the dividend warrants. Members holding shares in dematerialised form must give instructions, regarding bank accounts in which they wish to receive dividend, to their respective Depository Participant. The Company or the Share Transfer Agents will not act on any direct request from such members for change/deletion in such bank details. Such changes are to be advised only to the Depository Participant by the members.

12. Members who hold shares in physical form can avail of the nomination facility in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form No. SH-13 in duplicate with the Share Transfer Agents who, on request, will supply blank nomination forms. Members holding shares in the dematerialised form may contact the Depository Participant for recording nomination in respect of their shares.
13. All unclaimed dividends up to the Final Dividend for 2006-07 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 2007-08 will fall due for transfer to the said Fund on September 09, 2015. Members should also note that any sum transferred to IEPF shall stand forfeited and no claim shall lie either against IEPF or the Company. Those members, who have not encashed their dividends for the financial year ended March 31, 2008, are requested to claim it from Karvy immediately. Such of those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from Karvy.
14. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. Karvy Computershare Pvt. Ltd, Karvy Selenium Tower-B, Plot No. 31&32 Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032. India Tel No.+91 04 67161500, Toll free No. 18003454001, E-mail: einward.ris@karvy.com
15. An electronic copy of the Annual Report for 2015 alongwith the Notice of the AGM is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes in addition to the physical

copy being sent. in the permitted mode. Members may please note that notices, annual reports, etc. will be available on the Company's website (www.zodiaconline.com) as well as the website of Karvy i.e. www.karvy.com)

16. 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.
17. Accordingly, members holding shares in dematerialised form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts, if not already submitted. Members holding shares in the physical form can submit their PAN details to the Company / Registrar and Transfer Agents, M/s Karvy Computershare Private Limited, if not already submitted.
18. Members are requested to:
 - (i) Quote Registered Folio / Client ID and DP ID in all their correspondence.
 - (ii) Bring the copy of the Annual Report and the Attendance Slip with them to the Annual General Meeting.
 - (iii) Send queries related to accounts, to the Company at least 10 days before the date of the Annual General Meeting.
 - (iv) To register their e-mail address with Company's Registrar & Transfer Agents, M/s. Karvy Computershare Pvt. Ltd, to enable the Company to send the notices, documents including Annual Reports by e-mail.
19. **Voting Instructions:**
 - (a) In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules 2015 and Clause 35B of the Listing Agreement, the Resolutions proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM), for which purpose the Company has engaged the services of Karvy Computershare Pvt. Ltd. (Karvy) to facilitate remote e-voting.

- (b) Please note that the Members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and *vice versa*. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again
- (c) The Board of Directors of the Company has appointed Mr. B. Narasimhan, Proprietor B.N. & Associates, a Practising Company Secretary as the Scrutinizer for conducting the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer's decision on the validity of the votes shall be final.
- (d) Voting rights will be reckoned on the paid-up value of the shares registered in the name of the Members as on 5th August 2015 being the cut-off date. Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the AGM.
- (e) The Scrutinizer will submit his report to the Chairman/Managing Director after the completion of scrutiny, and the result of the remote e-voting will be announced by any Director or Company Secretary of the Company duly authorized, on or before 15th August, 2015 at the registered office of the Company and will also be displayed on the Company's website (www.zodiaconline.com), and on the website of Karvy www.karvy.com immediately after the result is declared. The company shall simultaneously forward the results to BSE Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed. The result will also be published in the newspapers.
- (ii) Enter the login credentials (i.e., **User ID and password mentioned below**). Event No. followed by Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering these details appropriately, Click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., Zodiac Clothing Company Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit"

The instructions for e-voting are as under:

- A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.

- (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 numbers of times till they have voted on the Resolution(s).
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the scrutinizer at zodiac.evoting@karvy.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_ EVENT NO.”
- (xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 5th August 2015, he / she may write to Karvy on the email Id: varghese1@karvy.com or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit:Zodiac Clothing Company Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:
- (i) **User ID and initial password as provided in a separate e-voting communication , being sent along with the Notice of AGM and Annual Report.**
- (ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on **Saturday, 8th August 2015 at 10:00 A.M. and ends on Tuesday, 11th August 2015, 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 **Wednesday, 5th August, 2015**, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of poll at the Meeting.

- D. In case of any query or grievance pertaining to e-voting, please visit Help & FAQ’s section available at <https://evoting.karvy.com>. (on Karvy’s website)
- E. Voting at the AGM will be through Poll paper to be distributed at the venue. The Scrutinizer shall after scrutinizing the votes cast at the AGM and through remote e-voting, make a Consolidated Scrutinizers Report and submit the same to the Chairman of the Company, not later than 3 (three) days of the conclusion of the AGM.
- F. The Results declared along with the Consolidated Scrutinizers Report shall be placed on the Company’s website www.zodiaconline.com and on the website of Karvy. The results shall simultaneously be communicated to the BSE Ltd and National Stock Exchange of India Ltd. where the Companies share are listed
- G. The resolution/s shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes in favour of the resolution through a compilation of voting results (ie. remote e-voting and voting held at the AGM).

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

KUMAR IYER
Dated : 10th June 2015
Place : Mumbai, G.M Legal &
Company Secretary

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

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

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

ITEM NO.5

As per the provisions of the second proviso to Section 149(4) of the Companies Act, 2013 ("Act") read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, the Company is required to have independent directors on its Board.

Pursuant to the recommendation made by the Nomination & Remuneration Committee at a meeting held on 12th November, 2014, the Board of Directors of the Company at their meeting held on 12th November 2014, had appointed Mr. Saumitra Chaudhuri (DIN.06982558) as an Additional Director (Non-executive & Independent) of the Company under Section 161 of the Act, who holds such office up to the date of the 31st Annual General Meeting of the Company.

Mr. Saumitra Chaudhuri has furnished declarations to the Company under Section 149(7) of the Act, confirming that he meets the criteria prescribed for Non-executive & Independent Directors under sub-section (6) of Section 149 of the Act as well as Clause 49 of the Listing Agreement. Mr. Saumitra Chaudhuri also furnished to the Company (i) Consent to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and qualification of Directors) Rules, 2014, (ii) Declaration of Non-disqualification in Form DIR- 8 pursuant to Section 164 of the Act, and (iii) a declaration in writing in Form MBP-1 confirming his disclosure of interest or concern in the company or companies, bodies corporate, firms or other association of individuals.

In the opinion of the Board, Mr. Saumitra Chaudhuri fulfills the conditions for his appointment as an Non-executive & Independent Director as prescribed under the Act and Rules issued thereunder and Clause 49 of the Listing Agreement.

Mr. Saumitra Chaudhuri is independent of the management and possesses appropriate skill, knowledge and experience.

Accordingly, it is proposed to appoint Mr. Saumitra Chaudhuri as a Non-executive & Independent Director on the Board of the Company for a period of five (5) consecutive years upto 11th November 2019 and will not be liable to retire by rotation. A notice, along with the requisite deposit, has been received from a member proposing Mr. Saumitra Chaudhuri's candidature for the office of Director of the Company. In the opinion of the Board, the Company will immensely benefit with

the varied experience and knowledge of Mr. Saumitra Chaudhuri.

The terms and conditions of appointment of Mr. Saumitra Chaudhuri as Non-executive & Independent Director shall be open for inspection by the Members at the Registered Office of the Company on all working days, during business hours up to the date of the Annual General Meeting, and has also been uploaded on the website of the Company at www.zodiaconline.com.

Except Mr. Saumitra Chaudhuri, being an appointee, no Director, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

A brief profile of Mr. Saumitra Chaudhuri is given in the Directors Biographies, forming part of the 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 the Board/Committees, shareholding and relationships amongst Directors inter-se as stipulated under Clause 49 of the Listing agreement with the Stock exchanges is provided in the Details of Directors seeking appointment/ re-appointment at the AGM annexed to this notice as Annexure A.

The Board recommends the passing of the Ordinary Resolution set out in item No. 5 of the Notice for approval by the Members.

ITEM NO.6

As per the provisions of the second proviso to Section 149(4) of the Companies Act, 2013 ("Act") read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, the Company is required to have independent directors on its Board.

Pursuant to recommendation made by the Nomination & Remuneration Committee at a meeting held on 11th February, 2015, the Board of Directors of the Company at their meeting held on 11th February 2015, had appointed Ms. Elizabeth Jane Hulse (DIN 07094093) as an Additional Director (Non-executive) of the Company under Section 161 of the Act , who holds such office up to the date of the 31st Annual General Meeting of the Company.

Ms. Elizabeth Jane Hulse has now furnished declarations to the Company under Section 149(7) of the Act,

confirming that she meets the criteria prescribed for Non-executive & Independent Directors under subsection (6) of Section 149 of the Act as well as Clause 49 of the Listing Agreement. Ms. Elizabeth Jane Hulse has also furnished to the Company (i) Consent to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) Declaration of Non-disqualification in Form DIR-8 pursuant to Section 164 of the Act, and (iii) a declaration in writing in Form MBP-1 confirming her disclosure of interest or concern in the company or companies, bodies corporate, firms or other association of individuals.

In the opinion of the Board, Ms. Elizabeth Jane Hulse fulfills the conditions for her appointment as a Non-executive & Independent Director as prescribed under the Act and Rules issued thereunder and Clause 49 of the Listing Agreement.

Ms. Elizabeth Jane Hulse is independent of the management and possesses appropriate skill, knowledge and experience.

Accordingly, it is proposed to appoint Ms. Elizabeth Jane Hulse as a Non-executive & Independent Director on the Board of the Company for a period of five (5) consecutive years upto 11th August 2020 and will not be liable to retire by rotation. A notice, along with the requisite deposit, has been received from a member proposing Ms. Elizabeth Jane Hulse as a candidate for the office of Director of the Company. In the opinion of the Board, the Company will immensely benefit with the varied experience and knowledge of Ms. Elizabeth Jane Hulse.

The terms and conditions of appointment of Ms. Elizabeth Jane Hulse as Non-executive & Independent Director shall be open for inspection by the Members at the Registered Office of the Company on all working days, during business hours up to the date of the Annual

General Meeting, and has also been uploaded on the website of the Company at www.zodiaconline.com.

Except Ms. Elizabeth Jane Hulse, being an appointee, no Director, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

A brief profile of Ms. Elizabeth Jane Hulse is given in the Directors Biographies, forming a part of the Annual Report and the nature of her expertise in specific functional areas and the names of companies in which she holds Directorships and memberships/ chairmanships of the Board/Committees, shareholding and relationships amongst Directors inter-se as stipulated under Clause 49 of the Listing agreement with the Stock exchanges is provided in the Details of Directors seeking appointment/re-appointment at the AGM annexed to this notice as Annexure A.

The Board recommends the passing of the Ordinary Resolution set out in item No. 6 of the Notice for approval by the Members.

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

KUMAR IYER
G.M. Legal & Company Secretary

Mumbai, 10th June 2015

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

Annexure A

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

Particulars	Mr. S. Y. Noorani	Mr. Saumitra Chaudhuri	Ms. Elizabeth Jane Hulse
Date of Birth	15/03/1963	11/01/1954	20/12/1950
Date of Appointment	14/05/1993	12/11/2014	11/02/2015
Qualification	B.Com	M.A. (Economics), CES&P JNU University, B.Sc. Hons., Guwahati University	BA.Hons Textiles
Expertise in specific functional areas	Industrialist with rich Business Expertise	Economist	Textile Designing, Brand and Product Management
Directorship held in other companies	Zodiac Finsec and Holdings Ltd.	-	-
Membership/Chairmanships of Audit and Shareholders/ Investor Grievance Committee in other Companies	-	-	-
Number of shares held in the Company (As on 31st March 2015)	13,334	-	-
Relationship with Directors	Son of Mr. M. Y. Noorani, Chairman & Brother of Mr. A. Y. Noorani, Vice Chairman & Managing Director	-	-

ZODIAC

ZODIAC The mark of a perfectionist



Biella

Superfine 160's light-weight pure wool suits

ZODIAC
FINEST QUALITY CLOTHING

ZODIAC
Regale
Italian 140's

Regale
ZODIAC
FINEST QUALITY SHIRTMAKERS

ZODIAC CLOTHING COMPANY LTD.
31st ANNUAL REPORT 2014-2015

ZODIAC

Carletti
Italian 100's

Carletti

ZODIAC

FINEST QUALITY SHIRTMAKERS

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B O A R D O F D I R E C T O R S

Mr. M.Y. Noorani

Chairman

Mr. M.L. Apte

Mr. Bernhard Steinruecke

Mr. Saumitra Chaudhuri

Dr. Heinrich D. Dieckmann

Ms. Elizabeth Jane Hulse

Mr. S.R. Iyer

Mr. Y.P. Trivedi

Mr. A.Y. Noorani

Vice Chairman & Managing Director

Mr. S.Y. Noorani

Managing Director & President

A D V I S O R Y B O A R D

Mr. Deepak Parekh

Mr. S. M. Datta

Mr. Anil Kapoor

REGISTERED OFFICE

Nyloc House, 254, D-2,
Dr. Annie Besant Road,
Worli, Mumbai - 400 030
Tel : 022-66677000
Fax : 022-66677279

CHIEF FINANCIAL OFFICER

Mr. Aneel Saraff

COMPANY SECRETARY

Mr. Kumar Iyer

STATUTORY AUDITORS

Deloitte Haskins & Sells, LLP
Chartered Accountants
Tower 3, 27th -32nd Floor,
India Bulls Finance Centre,
Elphinstone Mills Compound
Senapati Bapat Marg,
Elphinstone (W)
Mumbai - 400 013

FACTORIES

- Yelahanka,
Bangalore - 560 063.
- Whitefield Road,
Bangalore - 560 048.
- Koramangala,
Bangalore - 560 099.
- Bommasandra
Bangalore - 560 099.
- A-1, 181 / 1, GIDC, Umbergaon,
Valsad, Gujarat - 396 171.
- C-2 / 7, GIDC Industrial Area, Umbergaon,
Valsad, Gujarat - 396 171.
- Plot No. 411, GIDC, Umbergaon,
Valsad, Gujarat - 396 171.
- A to Z Industrial Premises Co-op. Soc. Ltd.,
Lower Parel, Mumbai - 400 013

SOLICITORS

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

AZB & Partners
AZB House, Peninsula Corporate Park,
Lower Parel, Mumbai - 400 013

REGISTRAR & TRANSFER AGENTS OFFICE

Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032.
Email id: einward.ris@karvy.com
Website: www.karvy.com

BANKERS

Citi Bank N.A.
Citi Bank Centre,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 013.

HDFC Bank Limited
Trade World, A Wing,
Kamala Mills Compound,
Lower Parel, Mumbai - 400 013.

First Rand Bank
TCG Financial Centre,
5th Floor, C - 53, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 013.

The Hongkong and Shanghai Banking
Corporation Limited
52/60 Mahatma Gandhi Road,
Fort, Mumbai - 400 001

SUBSIDIARIES

- Zodiac Finsec and Holdings Ltd.
- Zodiac Clothing Co. S.A. (Switzerland)
- Zodiac Clothing Co. (UAE) LLC
- Zodiac Clothing Company Inc.
- Zodiac Properties Limited

DIRECTORS' BIOGRAPHIES



Mr. M. Y. Noorani

Chairman

Mr. M.Y. Noorani, is the founder of ZODIAC and the founding father of the Clothing industry in India. He was the founder of the Clothing Manufacturers Association of India as well as its President for three consecutive terms. He has served on the managing committee of several trade organizations, including Indo German Chamber of Commerce, Bombay Chamber of Commerce, Indo Italian Chamber of Commerce as well as E.U. Chamber of Commerce, where he was the President for two terms. He has led Zodiac in its continuous quest for excellence and has also been the recipient for Lifetime achievement awards from IFA Lycra Images and also from the Clothing Associations –CMAI and CIAE. He is also Chairman of various Public Limited and Private Limited Group Companies. The Cross of Order of Merit was conferred on him by the President of the Federal Republic of Germany in December 2009.



Mr. M. L. Apte

Director

Mr. M. L. Apte, former Sheriff of Bombay is also the former President of Maharashtra Chamber of Commerce, Bombay Chamber of Commerce, Cricket Club of India, Indian Sugar Mills Association, Member of the Indian Cotton Mills Federation and former Chairman of the Textiles Committee. He is currently the Director of Grasim Industries Limited, Bajaj Hindusthan Sugar Limited, Kulkarni Power Tools Limited, Raja Bahadur International Limited, Standard Industries Limited And Bombay Burmah Trading Corporation Limited.



Mr. Bernhard Steinruecke

Director

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



Dr. Heinrich-Dietrich Dieckmann

Director

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



Mr. Y. P. Trivedi

Director

Mr. Y. P. Trivedi a Ex-member of Rajya Sabha, is the former President of Indian Merchants Chamber, The Chamber of Income Tax Consultants, Indo-African Chamber of Commerce, a member of the Managing Committee of Indian Merchants' Chamber. He is currently the Chairman of Sai Service Station Ltd. and Trivedi Consultants Private Limited and also a Director of Reliance Industries Limited, Supreme Industries Limited, New Consolidated Construction Company Limited and Emami Limited Mr. Trivedi has also served as a Director of Central Bank of India, Dena Bank and Central Bank Executors and Trustee Company Limited.



Mr. S. R. Iyer

Director

Mr. S.R. Iyer retired as Managing Director of the State Bank of India. He is the former Chairman and Director of the Credit Information Bureau (India) Limited. He was also the Managing Director of State Bank of Mysore, Director of the National Stock Exchange of India Ltd. and GE Capital Business Process Management Services Pvt. Ltd. He has vast knowledge and rich experience in banking. He is presently Chairman of Waterfield Advisors Private Limited, Waterfield Financial And Investment Advisors Private Limited and Director of IDMC Limited, KSK Energy Ventures Limited, P N Writer And Company Private Limited, Writer Lifestyle Private Limited, Writer Safeguard Private Limited, Sai Wardha Power Limited And KSK Mahanadi Power Company Limited.



Mr. A. Y. Noorani

Vice-Chairman & Managing Director

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



Mr. S. Y. Noorani

Managing Director & President

Mr. S. Y. Noorani joined the House of ZODIAC in 1982. He is responsible for setting up the company's state-of-the-art of manufacturing facilities and international marketing operations in London, Dusseldorf and New York. He leads a dynamic team of professionals in the running of the organization ranging from design and manufacturing to sales and marketing which has successfully launched the brand ZOD! and Z3 in the Indian market. Mr. S. Y. Noorani has also served on the Managing Committees of Indo- Italian Chamber of Commerce as well as CMAI. He was a member of the Regional Council of CII [Western Region].



Mr. Saumitra Chaudhuri

Director

Mr. Saumitra Chaudhuri was appointed as an Additional Director on the Board of the Company w.e.f. 12th November 2014. Mr. Chaudhuri is an eminent and respected Economist, who was Economic Advisor to ICRA for over a decade; He was on the Prime Minister's Economic Advisory Council for nearly a decade and a Member, Planning Commission for 5 years (both positions in the rank of Minister of State, Government of India).



Ms. Elizabeth Jane Hulse

Director

Ms. Elizabeth Jane Hulse was appointed as an Additional Director on the Board of the Company w.e.f. 11th February 2015. Ms. Hulse has a BA (Hons) Degree in Textiles, and 4 decades of varied experience in the clothing industry in the UK. She is well-versed in textile designing, fabric sourcing and purchasing, Brand and Product Management and Buying. She has worked with reputed clothing companies and retailers such as British Van Heusen, Tootal Menswear and the Burton Group, and was Head of a highly successful UK operation for Zodiac for over a decade.

ADVISORY BOARD



Mr. Deepak Parekh

Mr. Deepak Parekh (Padma Bhushan, 2006) is a Fellow of the Institute of Chartered Accountants (England and Wales). He is the Chairman and Director of various Public Limited Companies. Mr. Parekh has won several accolades and awards. He was the youngest recipient of the 'Corporate Award for Life Time Achievement', from the Economic Times. He was awarded the 'Businessman of the Year – 1996' by Business India, and the 'JRD Tata Corporate Leadership Award' from the All-India Management Association. He was the first recipient of the 'Qimpro Platinum Award' for Quality for his contributions to the services sector. He is the first international recipient of the Institute of Chartered Accountants in England and Wales Outstanding Achievements award 2010.



Mr. S. M. Datta

Mr. S. M. Datta is the former Chairman of Hindustan Lever Ltd. He is also the former President of Bombay Chamber of Commerce and Industry and is also the past President of Council of EU Chamber of Commerce. He is currently the Chairman of Castrol India Ltd., Philips Electronics India Ltd., IL & FS Investment Managers Ltd., Transport Corporation of India Ltd., Speciality Restaurants Ltd., Peerless Financial Products Distributors Limited and Director of Peerless Gen. Fin. & Inv .Co. Ltd, Atul Ltd., Bhoruka Power Corporation Ltd., Rabo India Finance Pvt. Ltd., SMD Management Consultants Private Limited and Chandras Chemical Enterprises Private Limited.



Mr. Anil Kapoor

Mr. Anil Kapoor is an alumnus of St. Stephens College Delhi and IIM (A) He began his career with MCM Advertising and in 1975 joined The Boots Company India Ltd, (now Abbot India) where he went on to become Marketing Director. In 1988 Mr. Kapoor took over a then ailing Ulka Advertising which has since become one of the big 5 advertising agencies in India. In 2006, FCB, (Foote, Cone and Belding Worldwide), bought over Ulka and appointed him on their Board and also as President, Asia Pacific and Africa. Soon he was promoted to the Operating Council, the apex body which runs the global Company. Mr. Kapoor is currently Chairman Emeritus of FCB Ulka. He has been the President of the Advertising Agencies Association of India (AAAI), the Chairman of the Audit Bureau of Circulations, has been on the Management Board of the National Readership Survey and the Television Audience Measurement Research. Apart from that he serves on the Board of Governors of IIM, Rohtak and was for two years the Executive-in-Residence at the Stern School of Management at New York University.

CHAIRMAN'S STATEMENT



In the last year, the country has seen wide ranging reforms and initiatives. Some of the noteworthy steps are the “Make in India” vision, the focus on the ease of doing business, reduction of the onerousness of labour laws and the passing of the GST bill in the Lok Sabha, to name but a few. However, the problems which have been building up for so long, cannot be set right in just a year, and it is necessary to take a long term view. The back of inflation has been broken, the Current Account Deficit has been emaciated to 1.2%, the Forex reserves - a major cushion against the looming US interest rate hike have crossed USD 355 Billion.

However we are in a situation where the World Bank has warned that it sees slowing global growth. There are headwinds which could cause decline in both revenue and profits globally. International markets are weak to flat, especially for the import of clothing. The European Union (EU), from the problems arising from the potential default situation in Greece and its exit from the Euro, a considerably weakened Euro, an aging population in the more developed EU states, and spending cuts across the board, has been extremely weak despite quantitative easing. It is now an acknowledged fact that textiles (including clothing) from India are taking a beating in this market with the Generalised System of Preferences in tariff benefit to import of Indian clothing having been phased out fully, while our formidable competitors like Bangladesh have complete duty free access.

The US/North America, despite the hype, have been flat to negative, which is evidenced by the contradictory data on employment and growth. Retail sales in the US were negative in most months during the second part of the calendar year, and the overall growth was negative during January/March 2015. The looming interest rate hike, and the strengthening USD have also been an undermining factor.

In China, the robust economy has weakened and slowed down sharply with the overall economic situation

beginning to look considerably grim compared to the exuberant picture China presented for decades. This has sent shivers down the spine of the entire world.

In Latin America, the commodity supercycle triggered by the industrialisation of China, seems to have gone stone cold, with IMF forecast of growth in the region being 0.9%, less than a fourth of the pace during the boom. One of the few bright spots on the international market has thus also been affected adversely.

International retailers and brands sourcing clothing from countries like India are looking for an increase in margins, that too despite paying lower prices per unit and despite lower turnover. The quantity they buy per SKU has been radically reduced to minimize inventory risk, and they are making every effort to transfer the inventory risk to the supplier. This has put suppliers under severe stress.

In India, we have seen negative overall Export since December 2014, continuing each month upto May 2015, i.e. 6 straight months, because of our competitiveness having been eroded, primarily due to a stronger Rupee. Bangladesh seems to be emerging from its problems of the previous years. China has set up production facilities in low cost countries such as Bangladesh, Vietnam and Myanmar, to hang on to its dominant share in the export of clothing. Turkey continues to hold its niche, by virtue of its quick delivery/turnaround time, lower transit time and lower cost of transportation to the markets. India's exports of clothing which rose smartly in the earlier part of the financial year (primarily in ladies clothing, and in clothing of MMF and silk and other fibres like flax and linen, with lower unit realisation) yielded a large part of this gain by the close of the year.

Cotton clothing, which is the strongest niche for India, by virtue of our being the world's second largest cotton growing country (slated to become No.1 this

year) has alarmingly grown by a meagre 3% last year. Notwithstanding the fact that our clothing export has a minuscule share in the export of MMF fibre clothing, which forms 65% of international trade in clothing (and which has grown from India impressively last year), we were able to build a dominant position in the export of cotton clothing (today we have an approximate 15% share in global trade of cotton clothing versus our small share of 4% in international trade of clothing of all fibres), we would be harvesting the major opportunity staring us in the face.

The demand situation in India has been extremely anaemic, after a very promising start upon the swearing in of a stable government after decades. The euphoria seen in the first quarter of the financial year, has faded sharply with weak to negative growth in subsequent quarters: this has been exacerbated due to the disruption of the markets. The cause of this has largely been the giant strides made by online retailing, often at prices below the cost of the sellers; the result was that a large part of the consumer's wallet was captured by the purchase of goods like mobile phones, electronics and white goods, leaving him with very little to spend on discretionary articles like clothing, especially high end clothing (low end clothing is available online at hefty discounts). This led to large scale discounting by most brands and bricks and mortar retailers, due to the huge inventories built up by them.

Given the above scenario, the Standalone operating revenue of the company was ₹ 325 crores v/s ₹ 349.00 crores the previous year. The PBT was ₹ 11.85 crores v/s ₹ 22.17 crores, and the PAT was ₹ 9.50 crores v/s ₹ 14.93 crores. The Consolidated revenue was ₹ 394.00 crores v/s ₹ 411.00 crores the previous year. The PBT was ₹ 12.67 crores v/s ₹ 30.53 crores, and the PAT was ₹ 9.02 crores v/s ₹ 22.00 crores last year.

Despite the situation in the markets, the company continues to vigorously pursue its design-driven international business, because this truly complements our Branded business - it keeps us on our toes to remain internationally competitive, and keeps us at the cutting edge of fashion. Towards our building "Brand India" effort, the Zodiac brand is selling alongside the best global premium brands at prestigious locations like Globus in Switzerland, although the export of branded clothing is a small part of our international business.

The industry looks forward to the reforms/initiatives bearing fruit. Steps to facilitate the import of raw material by installing of a process benchmarked to best practices in competitor countries, focus on skill development, which will help not only in lowering costs, but also increase unit value realization which has declined last year; early finalization of the long proposed FTA with the EU (which could double trade with them in just a

few years). A recent announcement about resumption of talks in August this year is most heartening: there remain, however, gaps on crucial issues which need to be bridged, such as automobiles, wines and spirits and Government purchases from the EU side, and Data Secure Nation status, immigration quotas vital for our IT industry's market access from the Indian side. Among other trade pacts on the horizon, there is Australia-but what we need is to start an initiative with USA, which is a large market with high consumption. Also, an all out effort to arrest the "export" of India's taxes, and to consolidate labour law reforms rolled out and unfolding, all of which will contribute to India gaining market share in Global export trade in clothing.

For the Branded business the contribution to profit earned was higher, despite flat sales. Own retail stores have shown growth, in contrast to the overall branded business. We believe the consumer sentiment and demand will revert to healthy growth, given the reforms/initiatives to grow the economy aggressively gaining momentum. The roll out of GST, if flawlessly executed and if rate fixation for the industry is judicious, will be a game changer. Removal of barriers to entry across all states of the country (C Forms, Road Permits and Entry Permits), will add further impetus to growth.

The company continues its conservatively aggressive policy to increase its own retail footprint, which also brings us closer to the consumer and provides valuable input on consumers, as well as on competition (15 stores opened during the year, 128 stores at the close of the year), and its policy of Brand building (digital media now commands a respectable percentage of our advertising spend), because the long term view of Indian consumer demand estimates remains intact.

I am happy to inform you that ICRA has once again reaffirmed the company's rating of A1+ for its short term fund based/non-fund based facilities at ₹ 8,000 lakhs. ICRA has also reaffirmed the company's rating of A1+ for Commercial Paper of ₹ 2,000 lakhs.

During the year Mr S.M. Datta and Mr. Deepak Parekh had to step down from the Board of the company, due to the reduction in the number of Board seats a Director can occupy, in compliance with the new Companies Act. We would like to express our gratitude and appreciation to them both for their active participation and valuable guidance during their decades long Directorship of the company. I am happy to inform you that they will continue to guide the company by virtue of their membership of the company's Advisory Board. The Advisory Board also includes a third member, Mr Anil Kapoor.

Mr. Anil Kapoor, Chairman Emeritus of Ulka Advertising, has successfully contributed to the company's marketing and competitive strategy over the decades. He has been

associated with the company for almost 25 years, and we look forward to his continued contribution as member of the Advisory Board.

The Board of Directors, had on the recommendation of the Remuneration and Nomination Committee, appointed Mr. Saumitra Chaudhuri as Additional Director on 12th November 2014. Mr. Chaudhuri is an eminent and respected Economist, who was Economic Advisor to ICRA for over a decade; he was on the Prime Minister's Economic Advisory Council for nearly a decade and a Member, Planning Commission for 5 years (both positions in the rank of Minister of State, Government of India).

Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment & Qualifications of Directors) Rules, 2014 and Clause 49(II)(A)(1) mandates the appointment of a woman director on the Board of the Company. The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Elizabeth Jane Hulse as an Additional Director on the Board of the Company on 11th February 2015.

Ms. Hulse has a BA (Hons) Degree in Textiles, and 4 decades of varied experience in the clothing industry in the UK. She is well-versed in textile designing, fabric sourcing and purchasing, Brand and Product Management and Buying. She has worked with reputed clothing companies and retailers such as British Van Heusen, Tootal Menswear and the Burton Group, and was Head of a highly successful UK operation for Zodiac for over a decade.

The Board has recommended, for the shareholders' approval, a final dividend of ₹ 2.50 per equity share

(totaling to a dividend of ₹ 3.10 per equity share, including the interim dividend distributed earlier) on the face value of ₹ 10.00 per share, on a paid up capital of ₹ 195,111,990. The dividend payout ratio has been considerably increased by virtue of the profit being subdued.

I'd like to conclude by expressing our sincere thanks to all our stakeholders, customers, shareholders, the Government, other statutory bodies, Banks, Solicitors, Distributors, Suppliers and other business associates for their continued valuable contribution, co-operation and support, as we continue to build upon our building blocks in the years to come.

My grateful thanks to our eminent Board of Directors, for their patient and valuable guidance, which continues to contribute tremendously to maintaining the highest levels of Corporate Governance and continued profitability, even during these turbulent times.

My appreciation and thanks to all employees across the company for their commitment, sincere efforts, teamwork and professionalism, which has contributed to our overall improved business performance and our consistent growth over the years.

I would like to gratefully acknowledge, and thank you all for the trust and confidence you have consistently reposed in the organization at all times. We will continue to do our utmost to build the business of the company in a sustainable manner.

M.Y. Noorani
Chairman

ZODIAC

FINEST QUALITY SHIRTMAKERS

Pure Linen

Positano Linen

ZODIAC

FINEST QUALITY SHIRTMAKERS

HIGHLIGHTS (STANDALONE AND CONSOLIDATED)

₹ In Lakhs

Particulars	2014-15		2013-14	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	32,501	39,395	34,906	41,111
Less: Excise duty	-	-	55	55
Net revenue from operation	32,501	39,395	34,851	41,056
Other Income	1,558	580	663	339
Total Revenue	34,059	39,975	35,514	41,395
Less : Total expenses	31,849	37,412	32,262	37,042
Profit before finance cost, Depreciation and other exceptional items	2,210	2,563	3,252	4,353
Less :Finance cost	221	250	217	249
Profit before depreciation	1,989	2,313	3,035	4,104
Less : Depreciation	805	1,046	818	1,050
Profit before exceptional items	1,184	1,267	2,217	3,054
Add :Exceptional items	-	-	-	-
PROFIT BEFORE TAX FOR THE YEAR	1,184	1,267	2,217	3,054
Provision for tax (net)	235	365	724	853
PROFIT AFTER TAX FOR THE YEAR	949	902	1,493	2,201
Add: Balance brought forward from the last Year	10,610	16,811	10,258	15,834
Add: Adjustment for Tax on Dividend and Depreciation for the Previous Year	111	107	33	33
Total amount available for appropriation	11,670	17,820	11,784	18,068
Appropriations :				
Interim Dividend	117	117	-	-
Proposed Dividend	488	488	873	873
Corporate Dividend Tax	100	123	148	148
General Reserve	100	100	153	153
Special Reserve	-	82	-	83
Balance retained in Statement of Profit & Loss A/c.	10,865	16,910	10,610	16,811

DIRECTORS' REPORT TO THE MEMBERS

To,

The Members,

Zodiac Clothing Company Limited.

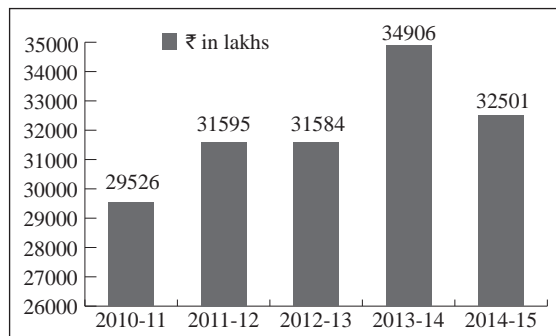
Your Directors hereby present the 31st Annual report with the Audited Statements of Accounts for the financial year ended 31st March 2015.

1. BUSINESS

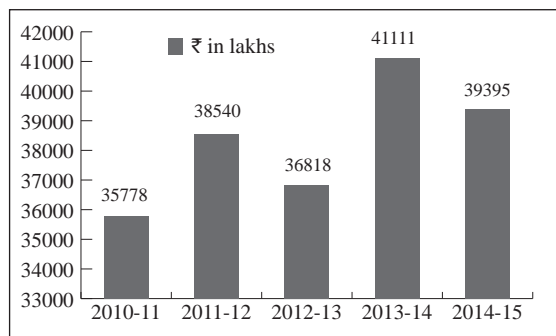
Operational Revenue & Profits: During the financial year ended 31st March 2015, the operational revenue of the company on a Standalone basis was ₹ 32,501 lakhs vs. ₹ 34,906 lakhs last year (For a like-to-like comparison, net of Excise duty ₹ 32,501 lakhs vs. ₹ 34,851 lakhs last year, i.e. a decrease of ₹ 2350 lakhs i.e. 6.74%). Profit Before Tax was ₹ 1,185 lakhs vs. ₹ 2,217 lakhs in the previous year, while the net Profit after Tax for the financial year ended 31st March 2015 was ₹ 949 lakhs vs. ₹ 1,493 lakhs in the previous year.

On a consolidated basis the operational revenue of the company decreased to ₹ 39,395 lakhs from ₹ 41,111 lakhs last year. (For a like-to-like comparison, net of Excise duty ₹ 39,395 lakhs vs. ₹ 41,056 lakhs last year, i.e. a decrease of ₹ 1,661 lakhs, i.e. 4.04%). The Consolidated Profit Before Tax fell to ₹ 1,267 lakhs vs. ₹ 3,054 lakhs in the previous year, the Net Profit being ₹ 902 lakhs vs. ₹ 2,201 lakhs in the previous year.

OPERATIONAL REVENUE - STANDALONE



OPERATIONAL REVENUE - CONSOLIDATED



Turnover across industries has been discouraging during 2014-15, the company being one of many faced with this situation.

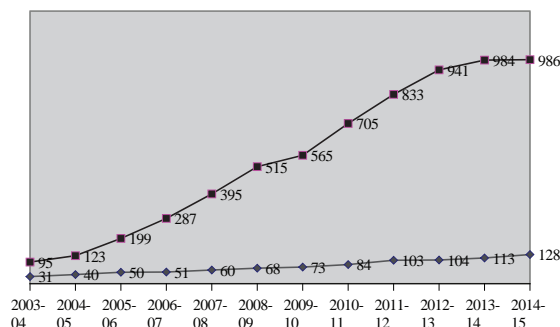
The scenario was highly unsettled in the branded clothing industry. Although the year started well with the euphoria of having a stable government after decades, this did not sustain. Reforms/initiatives to be undertaken has and will take some time to roll out, as it could not be done all at once. Furthermore, the positive effects of these reforms are likely to be felt in the economy with a lag, particularly that on customer sentiment/demand. It was not realistic to expect that the situation would reverse overnight.

Growth in the branded business was impacted by brands discounting/offering lavish consumer schemes. Further, the aggressive online offers by e-commerce players, though not directly impacting the company's target customer, took away a large share of the consumers' wallet by inducing spending on other goods such as mobile phones/electronic goods, etc.

The company's turnover in the branded business ended the year flat this year, despite growth in its own retail. The company's own Web store has shown a high double digit increase, albeit on a low base.

The economic scenario enabled the company to negotiate somewhat better terms for fresh store leases. In keeping with our focus on own retail, we accelerated the pace of store openings, even though this would entail longer gestation, given the economic conditions. As of 31st March 2015, the company's own stores, numbered 128. (New stores opened 16, stores closed 1, Net Addition 15). Four Existing stores were refurbished.

STORE V/S SALE CAGR



Company Owned Retail Stores – Graph

Though the current year has been subdued so far for the branded business, the medium to Long term prospect continues to look promising. However, real growth will be visible only when the reforms/

initiatives taken have percolated into change in consumer sentiment. The company will continue to invest in brand building, market development and opening of new stores. The company believes it is important to have a long term view in these challenging times.

The competitiveness of India as a country for export of clothing has been eroded considerably, not least because of the Rupee having become over-valued. The RBIs estimate of REER shows a 8% appreciation in the real value of the Rupee over 2013-14 and by 22% over 2004-05. Simplification of laws, most importantly, for import of raw material (benchmarked to best practices in competing countries) is a crying need, to unshackle the competitive strength of the industry.

There has been fierce competition in the international markets due to tepid to negative growth in various markets. The fallout of the European crisis has been that suppliers to the EU have unleashed a price war, in Europe, as well as in other markets.

The Euro has depreciated sharply, and has been extremely volatile. There have been large spending cuts in the EU. In the US, revised GDP data shows that the economy shrank by 20 basis points during January – March 2015 (quarter-on-quarter). However compared to the corresponding quarter of 2014, growth (year-on-year) was strong at 2.9%. Basically the acceleration evident in the summer of 2014 (Q2 and Q3) petered out. Retail sales in the US have been subdued during all but one month of the second half of 2014. Due to cautious buying, the quantities per article declined sharply, resulting in higher fabric cost due to upcharge for lower quantity per article.

Consequently, the design-driven international business has seen quite difficult times, both in terms of turnover (lower quantity, lower realisation in both USD and INR terms), impacting contribution and profit.

From the UAE, the exported quantity has grown 3% and the value has risen more or less in tandem, due to slightly lower realisation per unit.

The design-driven international business is being pursued vigorously by your Company nevertheless, because it keeps on its toes, both in terms of competitiveness, as well as in keeping itself aligned to the cutting edge fashion. However the global situation has to change before one can see return to full normalcy.

After appreciating in the second quarter, the Rupee has been stable against the USD upto December 2014. From January 2015, it has depreciated somewhat, but experts opine that the Rupee is overvalued, largely due to very high inflows into equity and debt in India. This has hurt the competitiveness of the clothing industry, which yielded a large part of the gains made earlier in the year.

The Government held a workshop, inviting suggestions for actionable reforms to achieve success in the “Make in India” vision of the Hon.Prime Minister. Players from 25 different industries (including Textile & Clothing) were invited to interact with the concerned Minister and Secretary to the Government. It concluded with a presentation to the Head of the Government with each Secretary submitting targets for rolling out various initiatives, for which each Secretary of the respective Ministry will be held accountable. This

2. RESULTS OF OPERATIONS:

FINANCIAL RESULTS:				
	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Total Revenue from operations (Net)	32,501	34,851	39,395	41,056
PROFIT BEFORE TAXATION	1,184	2,217	1,267	3,054
Provision for Taxation:				
Current Tax	217	642	347	771
Deferred Tax	18	82	18	82
PROFIT AFTER TAXATION	949	1,493	902	2,201
Balance of Profit Brought forward	10,610	10,258	16,811	15,834
Add: Adjustment for tax on dividend and depreciation for the previous year	111	33	107	33
Transfer from General Reserves	-	-	-	-
Profit Available for Appropriation	11,670	11,784	17,820	18,068

accountability is something never seen hitherto, and holds great promise.

Policy framework is being strengthened with measures to improve competitiveness (Skill India / Digital India), reduced onerousness nature of labour law compliance, encouragement of state governments to take initiative to modernise labour regulations, rationalisation of petroleum subsidies, auctioning of coal and spectrum, barriers to foreign investment substantially diluted with opening sectors of insurance, pension, defence and railways for private investment, both domestic and foreign.

Decisive political leadership, empowered bureaucracy, accelerated GDP, CAD down 1.6%, subdued inflation, WPI inflation negative, greater preparedness to meet exogenous uncertainties have brought back India on the radar of Foreign Investors, despite the Indian and global environment having changed.

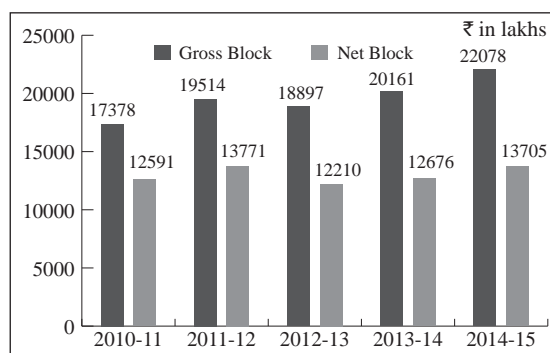
The success of these measures will be contingent upon fulfilling regulatory changes in labour law application, more reliable information and ease of doing business. The contribution of these measures to restoring competitiveness of the clothing industry, could be tremendous. The need to address the export of India's taxes is the single most important measure that the exporting community, including the clothing industry, need post haste.

The EU has begun to pursue India to resume negotiations on the proposed FTA, which negotiations one hopes should commence soon. The Treaty, when signed, would restore India's competitiveness in that market considerably. The EU Ambassador has reportedly told the Press that the business between the EU/India would double from Euro 100 billion to Euro 200 billion in 4 years, once the Agreement is signed.

The company continues to strive to control/reduce cost, for which a number of measures have been put in place. We have made notable investments in equipment to enhance productivity, as well as improve quality standards, as international retailers/brands have become more demanding, both on price as well as on quality.

Finance cost as a percentage of turnover has risen marginally, 0.68%(LY 0.62%). This is largely on account of higher forward premiums having to be paid to hedge the "borrowings" in foreign currency (we hedge 100% of principal, as well as interest, to avoid any currency risk). These premiums have been high, partly due to the interest rate differential between India and the countries in whose currency we borrow. The all inclusive cost was still lower than the cost of borrowing in Rupees.

FIXED ASSETS - CONSOLIDATED



3. SUBSIDIARY COMPANIES

The Company has five (5) subsidiaries as on March 31, 2015. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached as Annexure 5 to this report.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

4. CONSOLIDATED FINANCIAL STATEMENT

In accordance with the requirements of Accounting Standards AS-21 the Consolidated Accounts of the company and its subsidiaries are annexed to this Report.

5. RATING

ICRA (an associate of Moody's Investor Service) has reaffirmed the Company's rating of A1+ for its short-term fund-based/non-fund based facilities at ₹ 8,000 lakhs. ICRA has also reaffirmed the Company's rating of A1+ for Commercial Paper of ₹ 2,000 lakhs.

A1 is the highest credit quality rating assigned by ICRA to short term debt instruments, which carry the lowest credit risk in the short term. Within this category, certain instruments are assigned the rating of A1+ to reflect their relatively stronger credit quality.

6. CAPEX

Capex on Standalone ₹ 1,870 lakhs v/s ₹ 1,113 lakhs was incurred predominantly on the new

company-run stores (₹ 900 lakhs), factory building at Bangalore and Umbergaon (₹ 413 lakhs), new equipment (Processing) at Bangalore (₹ 357 lakhs), Corporate Head Quarters (₹ 166 lakhs) and others (₹ 34 lakhs).

Rental deposits (₹ 1,903 lakhs total as of FY15) are not booked as Capex.

On a consolidated basis, the Capex was ₹ 2,106 lakhs as against ₹ 1,629 lakhs last year.

7. LIQUIDITY

The Debt Equity ratio as on 31st March, 2015 was 0.29 on a Standalone basis and 0.21 on a Consolidated basis.

The cash and bank balances/cash equivalents along with liquid investments (free reserves – on consolidated basis) were ₹ 2,900 lakhs in March 2015, as against ₹ 3,549 lakhs last year.

8. SHARE CAPITAL

During the year under review, the company has allotted 121,201 Equity shares against the exercise of options granted under Zodiac Employees Stock Option Plan 2006 thereby increasing the paid-up share capital of the Company to 19,511,199 Equity shares of ₹ 10/- each.

9. APPROPRIATIONS

Dividends – Your Directors have recommended a final dividend of ₹ 2.50/- per equity share of ₹ 10/- each on 19,511,199 equity shares. The company had distributed an interim dividend of ₹ 0.60 each per equity share during the year. The total dividend for the year will be ₹ 3.10/- (previous year ₹ 4.50/-) per equity share. The total dividend amount (when approved by the members) including dividend distribution tax would be ₹ 705 lakhs (previous year ₹ 1,021 lakhs). Dividend (including dividend distribution tax) as a percentage of Profit after Tax is 74.28% on a Standalone basis and 80.66% on a consolidated basis.

Transfer to Reserves: Your Directors propose to transfer ₹ 100 lakhs to the General Reserve. An amount of ₹ 10,865 lakhs is proposed to be retained in the statement of Profit & Loss Account.

10. CORPORATE GOVERNANCE

The company has complied with all the mandatory requirements regarding Corporate Governance as required under the revised Clause 49 of the Listing Agreement with the Stock Exchange(s). The report on Corporate Governance, Management Discussion and Analysis, as well as the Auditors Certificate on the compliance of Corporate Governance form part of the Annual Report.

11. CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, The Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.zodiaconline.com. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval and wherever applicable omnibus approvals are obtained for Related Party Transactions.

All Related Party Transactions entered into during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered into during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

12. QUALITY

The company continues to focus on quality, as well as productivity, and innovation is pursued to sustain/grow value addition. We have made notable investments in equipment in our pursuit of these objectives.

13. BRAND BUILDING

Despite very challenging market conditions emanating from highly subdued consumer sentiment the company invested in building brand salience and strength.

In the market place most brands offered huge discounts, easy credit terms and stock correction on unsold goods to the trade, while we were unflinching in adhering to our credit terms and no returns policy. We continue with our strict policy of non-discounting.

Product innovations in ZOD! Club Wear & Z3 Relaxed Luxury coupled with very high quality 100% Linens in ZODIAC were offered to consumers. At the fine tailoring end, we introduced sleeveless Jodhpur jackets in pure wool and 100% linen. The advertising spends on the three brands were focused on television and the digital medium.

14. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

(A) Conservation of Energy

The company has embraced technology and innovation in its approach to energy efficiency, which continues to remain a focus area for the organisation. Continuous monitoring of existing systems by independent third party energy audits, upgradation of machines as well as processes using the latest technology, extensive use of occupancy and lux level sensors, combined with energy efficient lights, motors, equipment and aggressive replacement of computers with those using the latest generation of chip technology, coupled with moving data onto energy efficient cloud storage, have all resulted in a considerable drop in units of electricity consumed on a like-to-like basis. This, despite an increase in the total numbers of such equipment installed. Similarly, optimization using software, batch planning, and energy efficient boilers has resulted in considerable savings on fossil fuel consumed by the company.

(B) Pollution Control

The company is very sensitive about the environment. Its belief in running its business in an ecologically responsible manner has not only become a way of life, but is also one of its business goals. This quest for excellence has resulted in a natural teaming up with the best resources available globally in the field of air and water. As a consequence of joint research with leading equipment manufacturers internationally, made-to-order, state-of-the-art equipment has been installed, which will lead to a massive drop in water requirement for its processes. Furthermore, also as a result of this joint research, a high tech water treatment plant has been commissioned, the salient feature being that it runs at zero liquid discharge. This has become a benchmark of sorts in an industry where inputs are of a very dynamic nature resulting in a continuous challenge to recycle discharge. We look forward to building on these successes to scale even greater heights in the years ahead.

(C) Technology, Absorption, Adaptations and Innovation: The Company continues to use the latest technologies for improving the productivity and quality of its services and

products. The Company's operations do not require significant import of technology

(D) Foreign Exchange Earnings and Outgo.

(₹ in Lakhs)			
Foreign exchange used and earned		2014-15	2013-14
a.	Foreign Exchange Earnings	13,597	15,625
b.	Expenditure in foreign Currency	6,463	7,102

15. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is traditionally driven by a moral obligation and philanthropic spirit. The Company has an heritage of being engaged in such activities. The Company is committed sustainability and all business decisions take in to account its social and environmental impact.

The Company has constituted a CSR committee as per the provisions of Section 135 of the Companies Act 2013, details of which are given in the Corporate Governance Report forming part of this report. The Board has also framed a CSR policy for the Company on the recommendation of the CSR Committee. The said policy has also been posted on the website of the Company.

The Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014 including a brief outline of the Company's CSR Policy, total amount to be spent under CSR for the Financial Year, Amount unspent and the reasons thereof is set out at Annexure 2 forming part of the report.

16. DIRECTORS & KEY MANEGERIAL PERSONNEL

During the year, two of our respected Board members, Mr. Deepak Parekh and Mr. S.M. Datta, had to step down from the Board of the Company by virtue of the new limits placed on the maximum number of board seats directors can occupy.

We would like to thank Mr. Parekh and Mr. Datta for their valuable guidance, contribution and support during the decades of their directorship of the company. We would also like to thank them for having kindly agreed to continue to guide us by agreeing to be members of the three member Advisory Board, the third member being Mr. Anil Kapoor.

Mr. Anil Kapoor, Chairman Emeritus of Ulka Advertising, has been associated with the company for almost 25 years. He has successfully contributed to the company's marketing and competitive strategy over the decades, and we look forward to his contribution as member of the Advisory Board.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Saumitra Chaudhuri as Additional Director on 12th November, 2014.

Mr. Chaudhuri is a respected Economist, who was Economic Advisor to ICRA for over a decade; he was on the Prime Minister's Economic Advisory Council for nearly a decade and a Member, Planning Commission for 5 years (both positions in the rank of Minister of State, Government of India).

Section 149(1) of the Companies Act, 2013 read with Rule 3 of The Companies (Appointment & Qualifications of Directors) Rules, 2014 and Clause 49(II)(A)(1) mandates appointment of woman director on the Board of the Company. The Board of Directors had on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Elizabeth Jane Hulse on 11th February 2015 as an Additional Director on the Board of the Company.

Ms. Hulse has 4 decades of experience in the clothing industry in the UK and was Head of a highly successful UK operation for Zodiac for over a decade.

The resolution seeking approval of the member for the Appointment of Mr. Saumitra Chaudhuri and Ms. Elizabeth Jane Hulse have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them. The Company has received notices under Section 160 of the Act along with the requisite deposit proposing their appointments.

In accordance with the provisions of Section 152 of the Companies Act 2013, Mr. S.Y. Noorani, Managing Director & President retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on 27th May 2015, have approved the amendment to the terms of appointment of Mr. A. Y. Noorani, Vice-Chairman & Managing Director w.e.f 1st April 2015. Accordingly as mutually agreed, by Mr. A. Y. Noorani will be entitled to only variable pay in the form of performance linked bonus/commission of such percentage of the net profits of the Company or such amount as may be decided by the Board of Directors ("Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) for each financial year or part thereof w.e.f. 1st April 2015, subject to however the same

not exceeding the limits as permissible under the Companies Act 2013.

List of Key Managerial Personnel

Sr. No	Name of the person	Designation
1	Mr. A.Y. Noorani	Vice-Chairman & Managing Director
2	Mr. S.Y. Noorani	Managing Director & President
3	Mr.Aneel Saraff	Chief Financial Officer
4	Mr. Kumar Iyer	GM Legal & Company Secretary

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of the non- executive directors and executive directors.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of criteria such as Board Composition and structure, effectiveness of Board processes, information and functioning etc. The Committees were evaluated by the Board after seeking inputs from the Committee Members on the basis of criteria such as composition of the Committees, effectiveness of the Committee meetings etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are posted on the website of the Company at the link <http://www.zodiaconline.com>.

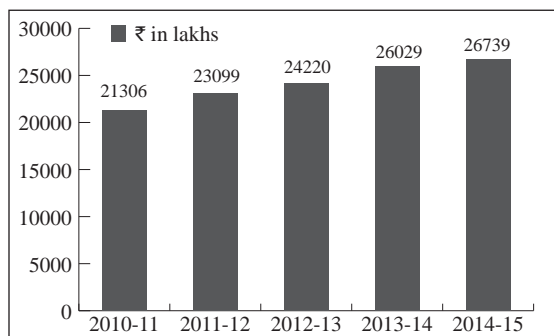
17. NUMBER OF MEETINGS OF THE BOARD:

Six Meetings of the Board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

- (i) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

NET WORTH – CONSOLIDATED – BAR CHART:**NET WORTH – CONSOLIDATED****19. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY:**

There are no material changes or commitments, affecting the financial position of the company which have occurred between 31st March 2015 and the date of this report.

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's remuneration policy for determining qualifications, positive attributes and independence of the director and criteria for director's appointment and remuneration features the following:

The board shall draw members from diverse fields such as finance, law, management, technical, marketing etc. and other disciplines relating to the company's business while constituting the Board.

A Director shall be a person of integrity, possessing relevant expertise and experience and shall uphold ethical standards of integrity, probity, and at objectivity and constructiveness. He shall exercise his responsibilities in a bonafide manner in the interest of the Company and shall devote sufficient time and attention to his professional obligations for informed and balanced decision making.

An Independent Director should meet the requirements of the Companies Act 2013 and clause 49 of the Listing Agreement on the independence of the directors. The Company shall also obtain certification of independence from the independent directors in accordance with the Companies Act and the Listing Agreement.

The objective of the policy is to have a compensation framework that will enable the Company to attract, reward and retain talent. Remuneration will be such as to ensure that there is a correlation of remuneration to performance and enables the Company to meet the performance benchmarks.

The remuneration details of the Executive and Non-Executive Directors is disclosed in the Corporate Governance report which forms part of the Directors Report.

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans and investments have been disclosed in the financial statements. The Company has not given any guarantees.

22. HUMAN RESOURCE MANAGEMENT :

The company recognises the need of continuous growth and development of its employees to meet the challenges posed by a rapidly growing consumer facing organization, besides fulfilling their own career path objectives. Consequently the role of Human Resources continues to remain

vital and strategic to the company. Employee recruitment, training, and development are a key focus area, with policies, processes and extensive use of technology to attract, retain, and build on skills of high calibre employees. In keeping with its philosophy of a healthy and safe work environment, regular independent third party audits, certification, and training programs are carried out. Industrial relations have continued to be harmonious throughout the year.

23. ZODIAC EMPLOYEES' STOCK OPTION PLAN 2006

In terms of the Employee Stock Option Plan 2006, Eighty Thousand Eight Hundred (80,800) options were exercised during the year at an exercise price of ₹ 346/- resulting in allotment of One Lakh Twenty One Thousand Two Hundred and One (1,21,201) Equity Shares.

The Applicable disclosures as stipulated under the SEBI Guidelines as on 31st March 2015 with regards to the Employees Stock Option Plan 2006 has been provided in the Annexure 1 to this report.

The Company is in the process of obtaining a Certificate from the Auditors stating that the ESOP has been implemented in accordance with SEBI (ESOS & ESPS) Guidelines, 1999 and the resolution of the Company passed in the Annual General Meeting held on 31st August 2006.

24. COMPLIANCE WITH THE CODE OF CONDUCT

The Code of Conduct adopted by the Company for its Board of Directors, Senior Management Personnel and Functional Heads has been uploaded on the Company's website. The Declaration of the Compliance with the code of conduct has been received from all Board members and managerial personnel. A certificate to this effect from Mr. A.Y. Noorani, Vice-Chairman and managing Director forms part of this report.

25. FIXED DEPOSIT

The company has not accepted any Fixed Deposits from the public under Section 73 of the Companies Act, 2013.

26. COMPANY'S WEBSITE

The Financial Statements, Annual Report, including Corporate Governance Report, Shareholding Pattern, etc., are displayed interse with the other information on the company's website, viz. www.zodiaconline.com.

27. DONATIONS

During the financial year, the company has, besides CSR, contributed ₹ 6,042,154 to various deserving causes.

28. INSURANCE

All the properties/assets, including buildings, furniture/fixtures, etc. and insurable interests of the company are adequately insured. The international debtors who avail of credit are also insured, despite their flawless record, as a measure of abundant precaution.

29. AUDITORS

The Auditors, M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to Audit the Accounts of the Company for the financial year 2015-16. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants that their appointment, if made, would be in conformity with the limits specified in the said Section.

30. COST AUDITOR:

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not covered under the purview of Cost Audit from the FY 2014-15.

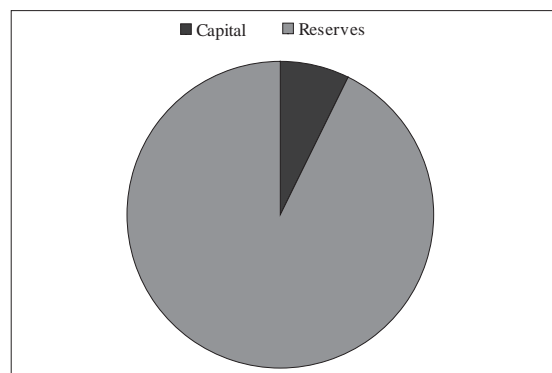
31. SECRETARIAL AUDIT-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s Robert Pavrey & Associates, Company Secretaries in Practice (CP No- 2928) to undertake the secretarial audit of the Company. The Secretarial Audit report is included as Annexure 4 and forms an integral part of this report.

32. AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

33. SOURCE OF SHAREHOLDERS' FUNDS EMPLOYED FOR THE YEAR 2014-15 CONSOLIDTAED –



34. RISK MANAGEMENT

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

35. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s KPMG. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust management information system, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal Audit findings and corrective action taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

36. ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti Sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & the Rules made thereunder. Internal Complaints Committee (ICC) has been set up to redress Complainants received regarding sexual harassment. All employees, permanent, contractual, temporary, and trainees are covered under the policy. Your Directors further state that during the year under review, there were no cases filed

pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is attached herewith as Annexure 3 to this Report.

38. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive directors*	Ratio to median remuneration
Mr. M.Y. Noorani	-
Mr. S. M. Datta (up to 5 th March, 2015)	-
Mr. M.L. Apte	-
Mr. Y.P. Trivedi	-
Mr. S.R. Iyer	-
Mr. Deepak Parekh (up to 9 th July 2014)	-
Mr. Bernhard Steinruecke	-
Dr. Heinrich D. Dieckmann	-
Mr. Saumitra Chaudhuri	-
Ms. Elizabeth Jane Hulse	-

***Note:** The Chairman is not paid any remuneration nor sitting fees for Attending Board and Committee Meetings. The Non-Executive Directors of the Company are paid only Sitting Fees for attending the Board and Committee Meetings of the Company, details of which are given in the Corporate Governance Report. They are not entitled to any other remuneration.

Executive directors	Ratio to median remuneration
Mr. A.Y. Noorani	41.06
Ms. S.Y. Noorani	41.06

- b. The percentage increase in remuneration of each director, chief financial officer, company secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary*	% Increase in remuneration in the financial year
Mr. M.Y. Noorani	-
Mr. S. M. Datta (up to 5 th March, 2015)	-

Directors, Chief Financial Officer and Company Secretary*	% Increase in remuneration in the financial year
Mr. M.L. Apte	-
Mr. Y.P. Trivedi	-
Mr. S.R.Iyer	-
Mr. Bernhard Steinruecke	-
Dr. Heinrich D. Dieckmann	-
Mr. Saumitra Chaudhuri	-
Ms. Elizabeth Jane Hulse	-
Mr. A.Y. Noorani	(44.74)
Ms. S.Y. Noorani	(44.74)
Mr. Aneel Saraff (CFO)	17.58 [@]
Mr. Kumar Iyer (CS) (w.e.f 15 th May, 2014)	-

***Note:** The Chairman is not paid any remuneration nor sitting fees for Attending Board and Committee Meetings. The Non-Executive Directors of the Company are paid only Sitting Fees for attending the Board and Committee Meetings of the Company, details of which are given in the Corporate Governance Report. They are not entitled to any other remuneration.

@ The Increase in remuneration is only due to the inclusion of the perquisite value of stock options exercised during the year.

- c. The percentage increase in the median remuneration of employees in the financial year: 8.02%
- d. The number of permanent employees on the rolls of Company: 2564 (as on 31st March 2015)
- e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 8.02%. The individual increments varied from 6% to 11%, based on individual performance.

The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹ Crores)	1.89*
Revenue (₹ in crores)	325.01
Remuneration of KMPs (as % of revenue)	0.58%
Profit before Tax (PBT) (₹ in crores)	11.85
Remuneration of KMP (as % of PBT)	15.95%

***Note:** In the Aggregate remuneration, the

remuneration paid to the Company Secretary is for part of the year (i.e. w.e.f 15th May 2014).

- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (₹ crores)	558.02	458.15	21.80
Price Earnings Ratio	56.52	30.69	84.16

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	July, 1994 (IPO)	July, 1994 (IPO)*	% Change
Market Price (BSE)	292.06	110.00	24.45	1095
Market Price (NSE)	286.00	110.00	24.45	1070

*Adjusted for 1:1 bonus issue in 2005 & 1:2 Bonus issue in 2010 & 2011.

- i. The Average percentile increase in the salaries of Employees other than managerial personnel in the last financial year was 8.02%. There has been no increase in the managerial remuneration and the same is lower by 49.11 %

The average annual increase was around 8.02%. However, during the course of the year, the total increase is approximately 11%, after accounting for promotions and other event based compensation revisions.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr. A.Y. Noorani, Vice-Chairman & Managing Director	Mr. S.Y. Noorani, Managing Director & President	Mr. Aneel Saraff, Chief Financial Officer	Mr. Kumar Iyer, Company Secretary
Remuneration in FY15 (₹ crores)	0.61	0.61	0.42	0.25
Revenue (₹ crores)	325.01			
Remuneration as % of revenue	0.19	0.19	0.13	0.08

	Mr. A.Y. Noorani, Vice-Chairman & Managing Director	Mr. S.Y. Noorani, Managing Director & President	Mr. Aneel Saraff, Chief Financial Officer	Mr. Kumar Iyer, Company Secretary
Profit before Tax (PBT) (₹ crores)	11.85			
Remuneration (as % of PBT)	5.15	5.15	3.54	2.11

- k. The key parameters for any variable component of remuneration availed by the directors:

The members have, at the 30th AGM of the Company on 12th August 2014 approved payment of performance linked bonus to the executive directors on such percentage of the net profits of

the Company or such amount as may be decided by the Board for each financial year provided that the aggregate of the salary and performance linked bonus shall be subject to the limits permissible under the Companies Act 2013.

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.
- m. Affirmation that the remuneration is as per the remuneration policy of the Company:
The Company affirms remuneration is as per the remuneration policy of the Company.
- n. Information as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31 2015 is given below:

Sr. No	Name	Age	Designation	Remuneration (₹)	Nature of Employment	Qualification and Experience	Date of joining	Last Employment	% of Equity Shares held	Relative of any Director/ Manager of the Company
1	Mr. Anees Yusuf Noorani	64 years	Vice-Chairman & Managing Director	6,100,000/-	Contractual	AMP-Harvard Business School (Boston)/46 years.	14/06/1984	-	24065	Son of Mr. M.Y. Noorani, Chairman and Brother of Mr. S.Y. Noorani, Managing Director & President
2.	Mr. Salman Yusuf Noorani	52 years	Managing Director & President	6,100,000/-	Contractual	B.com/33 years	14/05/1993	-	13334	Son of Mr. M.Y. Noorani, Chairman and Brother of Mr. A.Y. Noorani, Vice-Chairman & Managing Director

Disclosure Requirements:

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which forms part of this report.

39. ACKNOWLEDGEMENTS

The Directors would like to record their grateful thanks for the co-operation, support and assistance received from the customers, shareholders, the Government, other statutory bodies, Banks, Solicitors, Distributors, Suppliers and other business associates during these most turbulent times.

The Directors also express their sincere appreciation of the employees at all levels for having risen to meet the several challenges encountered and look forward to their valuable support and commitment in the times ahead.

ANNEXURE 1 TO DIRECTORS' REPORT

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

Zodiac Employees Stock Option Plan 2006

		First Grant: December 27, 2006	Second Grant: January 20, 2011
a.	Options granted till date	462,975*	401,025*
b.	Pricing formula	The Options are granted at closing market price of the Company's equity shares quoted on BSE Limited / National Stock Exchange of India Limited (wherever trading volumes are higher) as on the date preceding the date on which the Remuneration & Compensation Committee considers grant of Options to Eligible employees.	
c.	Option vested till date	462,975*	401,025*
d.	Options exercised till date	412,602*	121,201
e.	The total number of shares arising as a result of exercise of option	412,602	121,201
f.	Option lapsed	50376*	74,498*
g.	Variation of terms of option as at 31 st March 2015	Not Applicable	
h.	Money realized by exercise of option	NIL	₹ 27,956,800
i.	Total number of options in force as on 31 st March 2015	Nil	205,326*
j.	Employee wise details of options granted to:		
	(i) senior managerial person	(i) 367,350* Options	(ii) 279,075* Options
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	(ii) Nil	(ii) Nil
	(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:	(iii) Nil	(iii) Nil
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS - 20) 'Earnings Per Share' Refer note no. 43(e) of the Financial Statements for the year ended March 31, 2015.	₹ 4.87	
l.	Where the company has calculated the employees' compensation cost using the intrinsic value of the stock option, the difference between the employee compensation cost so computed and employee compensation cost that shall have been recognized if it had used the fair value of the option, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The company uses the intrinsic value based method of accounting for stock option. Had the company followed fair value of method for accounting the stock option, compensation expenses would have been higher by ₹ 2,311,469/- (Previous Year ₹ 2,033,201/-) and consequently profit after tax would have been lower by ₹ 2,311,469/- (Previous Year ₹ 2,033,201/-) and Basic and Diluted Earning per share would have been lower by ₹ 0.12 (Previous year ₹ 0.11) per share and ₹ 0.12 (Previous year ₹ 0.11) per share respectively. These options are considered to be anti-dilutive in nature and the effect of this is ignored in calculating diluted earnings per share in accordance with Accounting Standard 20 viz. Earnings Per Share notified under the Companies (Accounting Standard) Rules, 2006.	
m.	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date.	₹ 255.40	₹ 346.00
n.	A description of the method and significant assumption used during the year to estimate the fair value of options, including the following weighted average information:		
	(1) Risk free rate	7.59% to 7.67%	8.10% to 8.10%
	(2) Expected life of options	2.5 to 4.5 years	2.5 to 4.5 years
	(3) Expected volatility	45.22% to 51.13%	50.58% to 61.45%
	(4) Expected dividends	Not applicable	As the weighted average life of the option is more than 1 year and hence the estimation of the future dividend is unacceptable.
	(5) The price of the underlying share in the market at the time of option grant prior to option grant.	₹ 255.40	₹ 346.00

* The Company declared Bonus of 1:2 on record date of September 28, 2011, consequently the options and its related information has been adjusted for the bonus effect.

For and on behalf of the Board

Place : Mumbai
Dated : 10th June, 2015

M.Y. NOORANI
Chairman

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company is committed to doing business with integrity and respect for the world around us. The Company's CSR policy is aimed at forming a dynamic relationship between the Company on the one hand and the society and the environment on the other. The Company has traditionally been driven by a moral obligation and philanthropic spirit and has a heritage of being engaged in such activities. The Company is committed towards sustainability and all business decisions takes into account its social and environmental impact.

For years now, the Company has been dedicated to provide quality products and to reduce energy use and increase efficiency. The projects undertaken/programmes supported by the Company will be within the broad framework of Schedule VI of the Companies Act 2013. During the year the Company has focused on promoting healthcare including preventive healthcare. The Company has accordingly made a contribution of ₹ 2,500,000/- to CanCare Trust towards its development of a not for profit Cancer Hospital in Mumbai for treatment of head and neck cancer, aimed primarily to benefit the economically weaker sections of the society.

During the year the Company has also made a contribution of ₹ 200,000/- to Prince Aly Khan

M.L. Apte
Chairman, CSR Committee

Hospital, Mumbai registered as a Charitable Trust and part of the Aga Khan health Services which promotes healthcare including preventive healthcare.

2. The composition of the CSR committee: The Company has a CSR committee of directors comprising of

Mr. M.L. Apte, Chairman of the Committee, Mr. M.Y. Noorani, Mr. A.Y. Noorani and Mr. S.Y. Noorani.

3. Average net profit of the company for last three financial years for the purpose of computation of CSR: ₹ 134,940,320/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 2,698,806/-.

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹ 2,700,000/-
- Amount unspent: Nil
- Manner in which the amount spent during the financial year: Attached

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable.

M.Y. Noorani
Chairman

5(c) Manner in which amount spent during the financial year is detailed below:

Sr.No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where project or programs was undertaken.	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through Implementing agency
1.	Contribution to CanCare Trust towards development of a not for profit Cancer Hospital in Mumbai.	Health Care and Preventive Health Care	Local Area – Mumbai, Maharashtra	₹ 2,500,000/-	₹ 2,500,000/-	₹ 2,500,000/-	Direct ₹ 2,500,000/-
2.	Contribution to Prince Aly Khan Hospital, a Charitable Trust	Health Care and Preventive Health Care	Local Area – Mumbai, Maharashtra	₹ 200,000/-	₹ 200,000/-	₹ 200,000/-	Direct ₹ 200,000/-

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]**I Registration and other details:**

- i. CIN: L17100MH1984PLC033143
- ii. Registration Date: 14th June 1984
- iii. Name of the Company: Zodiac Clothing Company Limited
- iv. Category/Sub-Category of the Company: Company Limited by Shares/ Indian Non-Government Company
- v. Address of the Registered office and contact details:
Nyloc House, 254, D-2,
Dr. Annie Besant Road, Worli,
Mumbai – 400 030.
Tel: +91 22 6667 7000
Fax: +91 22 6667 7279
Email id: contactus@zodiacmtc.com
Website: www.zodiaconline.com

- vi. Whether Listed company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any
Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032.
Email id: einward.ris@karvy.com
Website: www.karvy .com

II Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No	Name and Description of main products/ services	Item (NIC) Code of the Product/Service	% to total turnover of the Company
1.	Mens Shirt 100% Cotton	6205	78.45%

III Particulars of Holding, Subsidiary and Associate Companies:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Zodiac Finsec and Holdings Ltd. Nyloc House, 254,D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	U28129MH1993PLC071999	Subsidiary	100%	2(87)
2	Zodiac Clothing Co.S.A. (Switzerland) Promenade Noire 1, Neuchatel, Switzerland.	-	Subsidiary	100%	2(87)
3	Zodiac Clothing Co. (UAE) LLC Al-Quoze Industrial Area, P.O. Box No.50545 Dubai, U.A.E.	-	Subsidiary	100%*	2(87)
4	Zodiac Clothing Company Inc. C/o. 160, Greentree Drive, Suite 101, Dover, DE 19904	-	Subsidiary	100%	2(87)
5	Zodiac Properties Limited 1003, Khalid Al Attar Tower, P.O.Box 71241, Dubai, U.A.E.	-	Subsidiary	100%	2(87)

*Note:- The shareholders of the company are Mrs Muna Mahmood Mohd. Mahmoud (51%) and M/s Zodiac Clothing CO S.A (49%). As per the mutual agreement between the shareholders, Mrs Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s Zodiac Clothing Co S.A. who is the beneficial owner.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share Holding

CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(A) PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
(a) Individual /HUF	2621786	0	2621786	13.52	2698094	0	2698094	13.83	0.31
(b) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	2317734	0	2317734	11.95	2317734	0	2317734	11.88	-0.07
(d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(1):	4939520	0	4939520	25.47	5015828	0	5015828	25.71	0.24
(2) FOREIGN									
(a) Individuals (NRIs/Foreign Individuals)	281325	0	281325	1.45	281325	0	281325	1.44	-0.01
(b) Bodies Corporate	6309764	0	6309764	32.55	6309764	0	6309764	32.34	-0.21
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(2) :	6591089	0	6591089	34.00	6591089	0	6591089	33.78	-0.22
Total A=A(1)+A(2)	11530609	0	11530609	59.47	11606917	0	11606917	59.49	-0.02
(B) PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
(a) Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b) Financial Institutions /Banks	112	0	112	0.00	112	0	112	0.00	0.00
(c) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f) Foreign Institutional Investors	1816509	0	1816509	9.37	1874009	0	1874009	9.60	-0.24
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1):	1816621	0	1816621	9.37	1874121	0	1874121	9.61	-0.24
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	1260221	3200	1263421	6.52	1244291	3200	1247491	6.39	0.12
(b) Individuals									
(i) Individuals holding nominal share capital up to ₹ 1 lakh	869358	101687	971045	5.01	829638	98537	928175	4.76	0.25
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	3301968	24840	3326808	17.16	3298446	24840	3323286	17.03	0.12
(c) Others									
CLEARING MEMBERS	11637	0	11637	0.06	2394	0	2394	0.01	0.05
NON RESIDENT INDIANS	468403	1350	469753	2.42	527363	1350	528713	2.71	-0.29
TRUSTS	104	0	104	0.00	102	0	102	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	5911691	131077	6042768	31.16	5902234	127927	6030161	30.91	0.26
Total B=B(1)+B(2) :	7728312	131077	7859389	40.53	7776355	127927	7904282	40.51	0.02
Total (A+B) :	19258921	131077	19389998	100.00	19383272	127927	19511199	100.00	0.00
(c) Shares held by custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter Group									
(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C) :	19258921	131077	19389998	100.00	19383272	127927	19511199	100.00	

ii. Shareholding of Promoters:

Sr.No	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Euro Global Holdings Pte. Ltd.	3154882	16.27	0.00	3154882	16.17	0.00	0.10
2	Asia Tangible Investments Pte Ltd.	3154882	16.27	0.00	3154882	16.17	0.00	0.10
3	Mohamed Yusuf Noorani	2341989	12.08	0.00	2418287	12.39	0.00	-0.32
4	Miraj Marketing Company LLP	2307609	11.90	0.00	2307609	11.83	0.00	0.07
5	Kewal K Seth	281250	1.45	0.00	281250	1.44	0.00	0.01
6	Mohammed Y Noorani	232875	1.20	0.00	232875	1.19	0.00	0.01
7	Mohamed Anees Noorani	24065	0.12	0.00	24065	0.12	0.00	0.00
8	Salman Yusuf Noorani	13334	0.07	0.00	13334	0.07	0.00	0.00
9	Miraj Marketing Company LLP	10125	0.05	0.00	10125	0.05	0.00	0.00
10	Mohamed Yusuf Noorani	8334	0.04	0.00	8334	0.04	0.00	0.00
11	Mohamed Yusuf Noorani	607	0.00	0.00	607	0.00	0.00	0.00
12	Zehra Salman Noorani	357	0.00	0.00	367	0.00	0.00	0.00
13	Awais Anees Noorani	75	0.00	0.00	75	0.00	0.00	0.00
14	Musaed Anees Noorani	75	0.00	0.00	75	0.00	0.00	0.00
15	Saniyya Anees Noorani	75	0.00	0.00	75	0.00	0.00	0.00
16	Muna Anees Noorani	75	0.00	0.00	75	0.00	0.00	0.00
	TOTAL :	11530609	59.47	0.00	11606917	59.49	0.00	-0.02

Note.1: Mr. Mohamed Yusuf Noorani holds 2660103 equity shares of the Company as on 31.03.2015 of these he holds:
18990 equity shares as Trustee for and on behalf of Yusuf Noorani Family Trust
8334 equity shares as Trustee for and on behalf of Anees Yusuf Noorani Family Benefit Trust

Note.2: Mr. Anees Yusuf Noorani holds 24065 equity shares of the Company as on 31.03.2015 of these he holds:
18990 equity shares as Trustee for and on behalf of Anees Noorani Family Trust.

iii. Changes in Promoters' Shareholding (please specify, if there is no change):

Sr. No	Folio/Dp Id-Client ID	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	IN30115122100739	Mohamed Yusuf Noorani	01/04/2014	Opening Balance	2341989	12.08	2341989	12.08
			18/04/2014	Purchase	1135	0.01	2343124	12.08
			06/06/2014	Purchase	424	0.00	2343548	12.09
			13/06/2014	Purchase	14873	0.08	2358421	12.16
			20/06/2014	Purchase	11558	0.06	2369979	12.22
			11/07/2014	Purchase	611	0.00	2370590	12.23
			25/07/2014	Purchase	110	0.00	2370700	12.23
			01/08/2014	Purchase	1101	0.01	2371801	12.23
			08/08/2014	Purchase	1691	0.01	2373492	12.24
			22/08/2014	Sale	20	0.00	2373472	12.24
			05/09/2014	Purchase	1266	0.01	2374738	12.25
			19/09/2014	Purchase	12286	0.06	2387024	12.30
			30/09/2014	Purchase	171	0.00	2387195	12.30
			10/10/2014	Purchase	1020	0.01	2388215	12.30

Sr. No	Folio/Dp Id-Client ID	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
			17/10/2014	Purchase	1444	0.01	2389659	12.31
			24/10/2014	Purchase	576	0.00	2390235	12.31
			31/10/2014	Purchase	756	0.00	2390991	12.32
			07/11/2014	Purchase	78	0.00	2391069	12.32
			21/11/2014	Purchase	1037	0.01	2392106	12.32
			28/11/2014	Purchase	3016	0.02	2395122	12.34
			05/12/2014	Purchase	733	0.00	2395855	12.33
			12/12/2014	Purchase	3333	0.02	2399188	12.34
			19/12/2014	Purchase	7157	0.04	2406345	12.38
			31/12/2014	Purchase	5137	0.03	2411482	12.41
			02/01/2015	Purchase	131	0.00	2411613	12.41
			09/01/2015	Purchase	595	0.00	2412208	12.41
			16/01/2015	Purchase	1090	0.01	2413298	12.42
			23/01/2015	Purchase	4545	0.02	2417843	12.44
			06/02/2015	Purchase	122	0.00	2417965	12.44
			20/02/2015	Purchase	322	0.00	2418287	12.44
			31/03/2015	Closing Balance		0.00	2418287	12.39
2	IN30018312065758	Kewal K Seth	01/04/2014	Opening Balance	281250	1.45	281250	1.45
			31/03/2015	Closing Balance		0.00	281250	1.44
3	IN30133019880830	Mohammed Y Noorani	01/04/2014	Opening Balance	232875	1.20	232875	1.20
			31/03/2015	Closing Balance		0.00	232875	1.19
4	IN30001110146884	Mohamed Anees Noorani	01/04/2014	Opening Balance	24065	0.12	24065	0.12
			31/03/2015	Closing Balance		0.00	24065	0.12
5	IN30001110152967	Salman Yusuf Noorani	01/04/2014	Opening Balance	13334	0.07	13334	0.07
			31/03/2015	Closing Balance		0.00	13334	0.07
6	IN30133019880848	Mohamed Yusuf Noorani	01/04/2014	Opening Balance	8334	0.04	8334	0.04
			31/03/2015	Closing Balance		0.00	8334	0.04
7	IN30115122152490	Mohamed Yusuf Noorani	01/04/2014	Opening Balance	607	0.00	607	0.00
			31/03/2015	Closing Balance		0.00	607	0.00
8	394001203940000211611	Zehra Salman Noorani	01/04/2014	Opening Balance	357	0.00	357	0.00
			22/08/2014	Purchase	10	0.00	367	0.00
			31/03/2015	Closing Balance		0.00	367	0.00
9	IN30133020049954	Musaed Anees Noorani	01/04/2014	Opening Balance	75	0.00	75	0.00
			31/03/2015	Closing Balance		0.00	75	0.00
10	IN30154918042447	Awais Anees Noorani	01/04/2014	Opening Balance	75	0.00	75	0.00
			31/03/2015	Closing Balance		0.00	75	0.00
11	IN30001110152975	Muna Anees Noorani	01/04/2014	Opening Balance	75	0.00	75	0.00
			31/03/2015	Closing Balance		0.00	75	0.00
12	IN30088814527407	Saniyya Anees Noorani	01/04/2014	Opening Balance	75	0.00	75	0.00
			31/03/2015	Closing Balance		0.00	75	0.00
13	IN30133019238793	Euro Global Holdings Ptv. Ltd.	01/04/2014	Opening Balance	3154882	16.27	3154882	16.27
			31/03/2015	Closing Balance		0.00	3154882	16.17
14	IN30112716464948	Asia Tangible Investments Pte Ltd.	01/04/2014	Opening Balance	3154882	16.27	3154882	16.27
			31/03/2015	Closing Balance		0.00	3154882	16.17
15	IN30133021168092	Miraj Marketing Company Llp	01/04/2014	Opening Balance	2307609	11.90	2307609	11.90
			31/03/2015	Closing Balance		0.00	2307609	11.83
16	492001204920000119596	Miraj Marketing Company Llp	01/04/2014	Opening Balance	10125	0.05	10125	0.05
			31/03/2015	Closing Balance		0.00	10125	0.05

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs:

Sr. No	Folio/Dp Id-Client ID	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the Year 01-04-2014		Cumulative Shareholding during the Year 31-03-2015	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	IN30047640314385	Akash Bhanshali	01/04/2014	At the Beginning of the year	2025000	10.44	2025000	10.44
			13/03/2015	Sale	663300	3.40	1361700	6.98
			31/03/2015	At the end of the year		0.00	1361700	6.98
			13/06/2014	Purchase	14873	0.08	2358421	12.16
2	IN30014210712060	Pari Washington Company Pvt. Ltd. A/C Pari Washing	01/04/2014	At the Beginning of the year	1108087	5.71	1108087	5.71
			28/11/2014	Purchase	60000	0.31	1168087	6.02
			31/03/2015	At the end of the year		0.00	1168087	5.99
3	IN30154918652179	M3 Investment Private Limited	01/04/2014	At the Beginning of the year	716208	3.69	716208	3.69
			31/03/2015	At the end of the year		0.00	716208	3.67
4	IN30047640314336	Lata Bhanshali	01/04/2014	At the Beginning of the year	0	0.00	0	0.00
			16/05/2014	Purchase	23757	0.12	23757	0.12
			23/05/2014	Purchase	14511	0.07	38268	0.20
			30/05/2014	Purchase	10000	0.05	48268	0.25
			13/03/2015	Purchase	663300	3.40	711568	3.65
			31/03/2015	At the end of the year		0.00	711568	3.65
4	IN30016710059939	East Sail	01/04/2014	At the Beginning of the year	692422	3.57	692422	3.57
			31/03/2015	At the end of the year		0.00	692422	3.55
5	IN30014210363339	Husain Sultan Ali Nensey	01/04/2014	At the Beginning of the year	433452	2.24	433452	2.24
			09/05/2014	Purchase	8459	0.04	441911	2.28
			16/05/2014	Purchase	14250	0.07	456161	2.35
			06/06/2014	Purchase	35354	0.18	491515	2.53
			19/09/2014	Purchase	3277	0.02	494792	2.55
			30/09/2014	Purchase	2000	0.01	496792	2.56
			31/03/2015	At the end of the year		0.00	496792	2.55
6	IN30036020018949	Nemish S Shah	01/04/2014	At the Beginning of the year	405124	2.09	405124	2.09
			31/03/2015	At the end of the year		0.00	405124	2.08
7	IN30260310131345	Radha Madhav Investments Ltd	01/04/2014	At the Beginning of the year	180000	0.93	180000	0.93
			31/03/2015	At the end of the year		0.00	180000	0.92
8	106001201060001753051	Syed Ahmed	01/04/2014	At the Beginning of the year	95000	0.49	95000	0.49
			11/04/2014	Sale	9000	0.05	86000	0.44
			31/03/2015	At the end of the year		0.00	86000	0.44
9	IN30068510503292	Pramit Jhaveri	01/04/2014	At the Beginning of the year	90000	0.46	90000	0.46
			31/03/2015	At the end of the year		0.00	90000	0.46
10	IN30048410048477	K Raheja Private Limited	01/04/2014	At the Beginning of the year	65610	0.34	65610	0.34
			31/03/2015	At the end of the year		0.00	65610	0.34

V. Shareholding Of Directors And Key Managerial Personnel:

Sr. No	Folio/Dp Id-Client ID	Date	Reason	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
DIRECTORS INCLUDING EX-DIRECTORS								
1	IN30115122100739	01/04/2014	At the beginning of the year	Mohamed Yusuf Noorani	2341989	12.08	2341989	12.08
		18/04/2014	Purchase		1135	0.01	2343124	12.08
		06/06/2014	Purchase		424	0.00	2343548	12.09
		13/06/2014	Purchase		14873	0.08	2358421	12.16
		20/06/2014	Purchase		11558	0.06	2369979	12.22
		11/07/2014	Purchase		611	0.00	2370590	12.23
		25/07/2014	Purchase		110	0.00	2370700	12.23
		01/08/2014	Purchase		1101	0.01	2371801	12.23
		08/08/2014	Purchase		1691	0.01	2373492	12.24
		22/08/2014	Sale		20	0.00	2373472	12.24
		05/09/2014	Purchase		1266	0.01	2374738	12.25
		19/09/2014	Purchase		12286	0.06	2387024	12.30
		30/09/2014	Purchase		171	0.00	2387195	12.30
		10/10/2014	Purchase		1020	0.01	2388215	12.30
		17/10/2014	Purchase		1444	0.01	2389659	12.31
		24/10/2014	Purchase		576	0.00	2390235	12.31
		31/10/2014	Purchase		756	0.00	2390991	12.32
		07/11/2014	Purchase		78	0.00	2391069	12.32
		21/11/2014	Purchase		1037	0.01	2392106	12.32
		28/11/2014	Purchase		3016	0.02	2395122	12.34
		05/12/2014	Purchase		733	0.00	2395855	12.33
		12/12/2014	Purchase		3333	0.02	2399188	12.34
		19/12/2014	Purchase		7157	0.04	2406345	12.38
		31/12/2014	Purchase		5137	0.03	2411482	12.41
		02/01/2015	Purchase		131	0.00	2411613	12.41
		09/01/2015	Purchase		595	0.00	2412208	12.41
		16/01/2015	Purchase		1090	0.01	2413298	12.42
		23/01/2015	Purchase		4545	0.02	2417843	12.44
		06/02/2015	Purchase		122	0.00	2417965	12.44
		20/02/2015	Purchase		322	0.00	2418287	12.44
		31/03/2015	At the end of the year			0.00	2418287	12.39
2	IN30133019880830	01/04/2014	At the beginning of the year	Mohammed Y Noorani	232875	1.20	232875	1.20
		31/03/2015	At the end of the year			0.00	232875	1.19
3	IN30133019880848	01/04/2014	At the beginning of the year	Mohamed Yusuf Noorani	8334	0.04	8334	0.04
		31/03/2015	At the end of the year			0.00	8334	0.04
4	IN30115122152490	01/04/2014	At the beginning of the year	Mohamed Yusuf Noorani	607	0.00	607	0.00
		31/03/2015	At the end of the year			0.00	607	0.00
5	IN30018310051413	01/04/2014	At the beginning of the year	Susim Mukul Datta*	30000	0.15	30000	0.15
		27/02/2015	Purchase		11250	0.06	41250	0.21
		31/03/2015	At the end of the year			0.00	41250	0.21
6	IN30001110146884	01/04/2014	At the beginning of the year	Mohamed Anees Noorani	24065	0.12	24065	0.12
		31/03/2015	At the end of the year			0.00	24065	0.12

Sr. No	Folio/Dp Id-Client ID	Date	Reason	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
7	IN30012610557765	01/04/2014	At the beginning of the year	Madhav Laxman Apte	19125	0.10	19125	0.10
		19/09/2014	Sale		2000	0.01	17125	0.09
		05/12/2014	Sale		1000	0.01	16125	0.08
		16/01/2015	Sale		4500	0.02	11625	0.06
		27/02/2015	Purchase		3375	0.02	15000	0.08
		31/03/2015	At the end of the year			0.00	15000	0.08
8	IN30012611021075	01/04/2014	At the beginning of the year	Deepak Shantilal Parekh*	19125	0.10	19125	0.10
		12/09/2014	Purchase		11250	0.06	30375	0.16
		31/03/2015	At the end of the year			0.00	30375	0.16
9	IN30048412974040	01/04/2014	At the beginning of the year	Yogendra Premkrishna Trivedi	19125	0.10	19125	0.10
		13/06/2014	Sale		1000	0.01	18125	0.09
		12/09/2014	Sale		10000	0.05	8125	0.04
		05/12/2014	Purchase		11250	0.06	19375	0.10
		31/03/2015	At the end of the year			0.00	19375	0.10
10	IN30048412993026	01/04/2014	At the beginning of the year		4500	0.02	4500	0.02
		31/03/2015	At the end of the year			0.00	4500	0.02
11	IN30001110152967	01/04/2014	At the beginning of the year	Salman Yusuf Noorani	13334	0.07	13334	0.07
		31/03/2015	At the end of the year			0.00	13334	0.07
12	492001204920000108018	01/04/2014	At the beginning of the year	Late Dr. Abid Hussain*	9537	0.05	9537	0.05
		31/03/2015	At the end of the year			0.00	9537	0.05
13	492001204920000110327	01/04/2014	At the beginning of the year	Subramaniam Ramachandran Iyer	7604	0.04	7604	0.04
		30/05/2014	Sale		7604	0.04	0	0.00
		27/02/2015	Purchase		3375	0.02	3375	0.02
		31/03/2015	At the end of the year			0.00	3375	0.02
14	IN30016710085767	01/04/2014	At the beginning of the year	Bernhard Steinruecke	15300	0.08	15300	0.08
		12/09/2014	Purchase		11250	0.06	26550	0.14
		31/03/2015	At the end of the year			0.00	26550	0.14
15	492001204920000107559	01/04/2014	At the beginning of the year	Bernhard Steinruecke	3825	0.02	3825	0.02
		31/03/2015	At the end of the year			0.00	3825	0.02
KEY MANAGERIAL PERSONNEL								
1	1204920000100306	01/04/2014	At the beginning of the year	Aneel Kumar Saraff (CFO)	11250	0.06	11250	0.06
		08/05/2014	Sale		11250	0.06	0	0
		27/02/2015	Purchase		6075	0.03	6075	0.03
		06/03/2015	Sale		508	0.00	5567	0.03
		31/03/2015	At the end of the year		0	0.00	5567	0.03
2	IN30088814370996	01/04/2014	At the beginning of the year	Kumar Iyer (CS)	Nil	Nil	Nil	Nil
		31/03/2015	At the end of the year		Nil	Nil	Nil	Nil

*Ex - Directors

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Secured Loans excluding deposits	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year.(i.e 01.04.2014)				
i) Principal Amount	4161.07	0.11		
ii) interest due but not paid	1.76	-	-	
iii) interest accrued but not due	2.46	-		
Total (i+ii+iii)	4165.29	0.11	-	4165.40
Change in Indebtedness during the financial year				
♦ Addition	15560.69	2889.46	-	
♦ Reduction	(14733.21)	(2682.49)		
Net Change	827.48	206.97	-	1034.45
Indebtedness at the end of the financial year.(i.e.31.03.2015)				
i) Principal Amount	4988.54	207.07		
ii) interest due but not paid	1.57	0.11	-	
iii) interest accrued but not due	5.44	-		
Total (i+ii+iii)	4995.55	207.18	-	5202.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager		Total Amount (₹)
		Mr. Anees Yusuf Noorani	Mr. Salman Yusuf Noorani	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,060,400*	6,060,400*	12,120,800
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	39,600	79,200
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others, Allowances	-	-	-
	Total (A)	6,100,000	6,100,000	12,200,000
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)			12,251,183

B. Remuneration to other directors: (Refer Corporate Governance Report for details)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount (₹)
1.	Independent Directors				
	Mr. M.L. Apte	404,496	-	-	404,496
	Mr. Y.P. Trivedi	426,968	-	-	426,968
	Mr. S.M. Datta (up to 5 th March 2015.)	134,832	-	-	134,832
	Mr. S.R. Iyer	359,552	-	-	359,552
	Mr. Bernhard Steinruecke	112,360	-	-	112,360
	Mr. Deepak Parekh (up to 9 th July 2014)	-	-	-	-
	Dr. Heinrich D. Dieckmann	44,944	-	-	44,944

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount (₹)
	Mr. Saumitra Chaudhuri (From 12 th November 2014)	67,416	-	-	67,416
	Total (1)	1,550,568			1,550,568
2.	Other Non-Executive Directors				
	Mr. M.Y. Noorani	-	-	-	-
	Ms.Elizabeth Jane Hulse (From 11 th February 2015)	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1,550,568	-	-	1,550,568
	Total Managerial Remuneration		-		
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)		-		

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Aneel Saraff, Chief Financial Officer	Mr. Kumar Iyer, Company Secretary	Total
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,423,364	2,047,843	4,471,207
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	883,703*	454,773	1,338,476
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	877,670	-	877,670
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others, Allowances	-	-	-
	Total	4,184,737	2,502,616	6,687,353

*Includes perquisites value of stock options exercised during the year.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

Annexure 4

FOR THE FINANCIAL YEAR ENDED MARCH 31 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

Zodiac Clothing Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zodiac Clothing Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and various rules (Rules) made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer

Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (**not applicable for the Audit Period**).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- Competition Act, 2002
- Consumer Protection Act, 1986
- Environmental Protection Act, 1986
- The Hazardous Waste (Management & Handling) Rules, 1989.
- Boilers Act, 1923
- Legal Metrology Act, 2009
- Gas Cylinders Rules, 2004
- Standards of Weights & Measures (Enforcement) Act, 1985
- The Static & Mobile Pressure Vessels (Unfired) Rules, 1981
- Foreign Trade (Development & Regulation) Act, 1992
- Copyrights Act, 1957
- Trade Marks Act, 1999

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit period were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For ROBERT PAVREY & ASSOCIATES

Company Secretaries

ROBERT PAVREY

Proprietor

FCS 2928 CP. No. : 1848

Place : Mumbai

Date : 5th June, 2015

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Sr. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate on last day of financial year	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	Zodiac Finsec and Holdings Ltd.	April to March	INR	-	40,000,000	236,612,491	465,618,971	465,618,971	117,596,080	78,343,362	53,551,184	12,671,083	40,880,101	-	100
2	Zodiac Clothing Co. S.A. - Switzerland.	April to March	CHF	64.2600	250,000	1,351,941	1,626,510	1,626,510	-	-	974,098	5,294	968,804	-	100
3	Zodiac Clothing Co. (UAE) LLC - UAE.	April to March	AED	17.0207	300,000	33,545,238	38,831,103	38,831,103	-	46,850,860	1,992,198	-	1,992,198	-	100
4	Zodiac Clothing Company Inc - USA.	April to March	USD	62.5000	10,000	(5,849)	33,674	33,674	-	-	2,081	-	2,081	-	100
5	Zodiac Properties Ltd.- R.A.K. (UAE).	April to March	GBP	92.4700	1,808	(424,944)	2,076,590	2,076,590	2,022,534	72,288	(45,444)	-	(45,444)	-	100

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-2015

Corporate Governance is a process that aims to meet stakeholders' aspirations and expectations. It is much more than complying with the legal and regulatory requirements. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures etc. serve as the means for implementing the philosophy of corporate governance. The Company's policies on Corporate Governance and compliance thereof in respect of specific areas for the year ended March 31, 2015, as per the format prescribed by SEBI and as incorporated in the revised Clause 49 of the Listing agreement with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), are set out below for the information of the shareholders and investors of the Company.

I. Company's Philosophy on Code of Corporate Governance

At Zodiac, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. Good Governance practices stem from the value system and philosophy of the organization. The Company's endeavor is to follow the spirit of good governance rather than mere compliance with the conditions specified by regulatory authorities. The Board is collectively responsible for pursuing this purpose. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has formulated, inter alia, various policy documents and introduced best practices of governance. For the Company, Corporate Governance is not a destination but a continuous journey that seeks to provide an enabling environment to harmonise the goals of maximising stakeholders' value and maintaining a strong customer focus.

II. Board of Directors

Composition of the Board

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March 2015, the Board of the Company comprised of ten Directors of which, the Chairman is a non-executive Director, two are Executive Directors, six are Independent Directors and one is a Woman Director. The number of Independent Directors on the Board is in conformity with the requirement of Clause 49(II)(A) of the Listing Agreement. The members of the Board are professionals who are senior, competent, richly experienced and highly respected persons in their respective fields.

The composition of the Board, Directorships/ Committee positions in other Companies as on 31st March 2015, number of meetings held and attended during the year are as follows: –

Name of the Director	Designation	Category of Directorship	Board Meeting during the year		Attendance at last AGM	Directorships	Committee Memberships in other Public Companies	
			Held	Attended			Member	Chairperson
Mr. M.Y. Noorani	Chairman	Promoter & Non Executive	6	6	Yes	1	-	-
Mr. M.L. Apte	Non-Executive Director	Independent & Non Executive	6	6	Yes	6	4	-
Mr. Y.P. Trivedi	Non-Executive Director	Independent & Non Executive	6	6	Yes	7	1	1
Mr. S.M. Datta@	Non-Executive Director	Independent & Non Executive	4	3	Yes	NA	NA	NA
Mr. S.R. Iyer	Non-Executive Director	Independent & Non Executive	6	6	Yes	9	-	2
Mr. Bernhard Steinruecke	Non-Executive Director	Independent & Non Executive	6	4	Yes	5	3	1
Dr. Heinrich D. Dieckmann	Non-Executive Director	Independent & Non Executive	6	1	No	-	-	-
Mr. Deepak Parekh*	Director (Alternate to Dr. Heinrich .D Dieckmann)	Independent & Non Executive	1	0	NA	NA	NA	NA
Mr. Saumitra Chaudhuri#	Non-Executive Director	Independent & Non Executive	2	2	NA	-	-	-
Ms. Elizabeth Jane Hulse^	Non-Executive Director	Independent & Non Executive	1	-	NA	-	-	-

Name of the Director	Designation	Category of Directorship	Board Meeting during the year		Attendance at last AGM	Directorships	Committee Memberships in other Public Companies	
			Held	Attended			Member	Chairperson
Mr.A.Y. Noorani	Vice Chairman & Managing Director	Promoter & Executive	6	6	No	1	-	-
Mr. S.Y. Noorani	Managing Director & President	Promoter & Executive	6	6	Yes	1	-	-

- (1) The Directorships, held by Directors as mentioned above, do not include directorship in Zodiac Clothing Company Limited and Directorships in foreign companies.
- (2) In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Zodiac Clothing Company Limited) have been considered.

@ Ceased to be a Director w.e.f. 5th March 2015.

* Ceased to be a Director w.e.f. 9th July 2014.

Appointed as Additional Director w.e.f 12th November 2014.

^ Appointed as Additional Director w.e.f 11th February 2015.

Board Meetings

The Board Meetings are governed by a structured agenda. The agenda along with the detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision-making. Considerable time is spent by the Directors on discussion and deliberations at the Board Meetings.

During the financial year a total 6 (Six) Board Meetings were held i.e. on 27th May 2014, 12th August 2014, 12th November 2014, 11th February 2015, 18th March 2015 and 25th March 2015.

Familiarisation Programme for Board Members

The Company has put in place a system to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the company operates and the business model of the company. Further the Chairman/Managing Director has one to one discussion with the newly appointed director to familiarize with the Company's operation. The familiarization programme for Directors has been posted on the Company's website at www.zodiaconline.com

Code of Conduct for Board of Directors and Senior Management

The Company has adopted a Code of Conduct for Board of Directors and Senior Management ("the Code"). The Duties of Independent Directors as laid down in Schedule IV of the Companies Act, 2013 are suitably incorporated in the Code as required under the revised Clause 49 of the Listing Agreement. The Code has been communicated to the Directors and the members of Senior Management. The Code has also been posted on the Company's website at www.zodiaconline.com. All Board members and senior management have confirmed compliance with the Code for the year ended 31st March, 2015. The Annual Report contains a declaration to this effect signed by the Managing Director.

III. Audit Committee

(a) Constitution of Audit Committee

The members of the Audit Committee are Mr. S. R Iyer, Mr. M. L Apte and Mr.Y. P Trivedi.

All the members of the Audit Committee are Non-Executive and Independent Directors. All the members possess sound knowledge of accounts, audit, financial management expertise, etc.

Mr. S.R.Iyer is the Chairman of the Audit Committee.

Mr. Kumar Iyer, Company Secretary acts as the secretary to the Audit Committee.

The terms of reference of the Audit Committee is in line with Clause 49 of the Listing Agreement and Section 177 of the Companies Act 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

(b) Roles and Powers of the Audit Committee: –

The brief description of the terms of reference of the Committee are described below:

Powers

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Roles:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of the auditors of the Company.
3. Reviewing and monitoring the statutory auditor's independence and performance.
4. Recommending to the Board, the appointment and remuneration of Cost Auditor.
5. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
6. Reviewing, with the management, the quarterly financial results before submission to the Board for Approval.
7. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Approval and Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing with the Management, performance of internal auditors and adequacy of the internal control systems.
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and frequency of internal audit.
11. Discussing with internal auditors any significant findings and follow-up thereon.
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
15. To review the functioning of the Whistle Blower mechanism.

16. Approval or any subsequent modification of transactions of the Company with related parties.
17. To evaluate internal financial controls and risk managements systems.
18. Scrutiny of intercorporate loans and investments.
19. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Such other functions as may be prescribed under the applicable laws and regulations.

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

(c) Meetings of Audit Committee:

The Meetings of Audit Committee are also attended by Managing Director, CFO, Statutory Auditors and Internal Auditors as special invitees. The Company Secretary of the Company acts as the Secretary to the Committee.

Total Nine (9) Audit Committee meetings were held during the financial year ended on 31st March 2015.

The Attendance of each member of the Committee is given below:

Name	Designation	No. of meetings held	No. of meetings attended
Mr. S.R. Iyer	Chairman	9	9
Mr. Y.P. Trivedi	Member	9	9
Mr. M.L. Apte	Member	9	8

IV. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible to overview the process of evaluation of performance of the Board as a whole, Board Committees and the Directors individually.

The Committee's terms of reference include:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment/removal.
2. Carry out evaluation of every director's performance.
3. Devising a policy on Board diversity.
4. Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The members of the Nomination and Remuneration Committee are Mr. M. L Apte, Mr.Y. P Trivedi and Mr.Saumitra Chaudhuri.

All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors.

Mr. M. L Apte is the Chairman of the Nomination and Remuneration Committee.

Mr. Kumar Iyer, Company Secretary acts as the secretary to the Nomination and Remuneration Committee.

The details of attendance of each member of the Committee is as follows:

Name	Designation	No. of meetings held	No. of meetings attended
Mr. M.L. Apte	Chairman	3	3
Mr. Y.P. Trivedi	Member	3	3
Mr. S.M Datta*	Member	3	2
Mr. Saumitra Chaudhuri**	Member	-	-

* Mr. S.M Datta was the Chairman of the Nomination and Remuneration Committee till the date of his resignation i.e. 5th March 2015.

** Mr. Saumitra Chaudhuri was appointed as a member Nomination and Remuneration Committee w.e.f 25th March 2015.

Remuneration Policy:

A. Remuneration to Whole-time Directors:

The remuneration paid to Whole-time Directors is subject to the limits laid down under Section 197 and Schedule V to the Companies Act, 2013, and in accordance with the terms of appointment approved by the Shareholders of the Company. The remuneration of the Whole-time Directors is determined by the Nomination & Remuneration Committee. The remuneration consists of Salary, Company's contribution to Provident Fund, Performance linked Bonus, other perquisites including Company's Car with driver and allowances in accordance with the rules of the Company, applicable from time to time.

The Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

B. Executive Directors:

Details of Remuneration of Executive Directors for the financial year ended 31st March 2015

Particulars	Mr. A.Y. Noorani, Vice-Chairman and Managing Director	Mr. S.Y. Noorani, Managing Director & President
Term of Appointment	For a period of 3 years from 1 st March 2014 to 28 th February 2017	For a period of 3 years from 1 st March 2014 to 28 th February 2017
Salary*	6,100,000	6,100,000
Commission	-	-
Minimum Remuneration	In the event of inadequacy of profit under the Act in any financial year, any remuneration in excess of minimum remuneration shall be subject to necessary approval of Central Government, if required.	In the event of inadequacy of profit under the Act in any financial year, any remuneration in excess of minimum remuneration shall be subject to necessary approval of Central Government, if required.
Service Contract, Notice Period & Severance Fees	The Appointment is contractual and can be terminated by giving Six months' notice or six months' salary in lieu thereof.	The Appointment is contractual and can be terminated by giving Six months' notice or six months' salary in lieu thereof.

* Excluding Company's Contribution to Provident Fund

C. Non-Executive Directors:

Details of Remuneration of Executive Directors for the financial year ended 31st March 2015

Name of Director	Sitting Fees paid (₹)	Shares held as on 31 st March 2015
Mr. M.Y. Noorani	Nil	2660103
Mr. M.L. Apte	404,496	15000
Mr. Y.P. Trivedi	426,968	23875
Mr. S.M. Datta@	134,832	41250
Mr. S.R. Iyer	359,552	3375

Name of Director	Sitting Fees paid (₹)	Shares held as on 31 st March 2015
Mr. Bernhard Steinruecke	112,360	30375
Dr. Heinrich D. Dieckmann	44,944	Nil
Mr. Deepak Parekh*	Nil	30375
Mr. Saumitra Chaudhuri#	67,416	Nil
Ms. Elizabeth Jane Hulse^	Nil	Nil

@ Ceased to be a Director w.e.f. 5th March 2015.

* Ceased to be a Director w.e.f. 9th July 2014.

Appointed as Additional Director w.e.f 12th November 2014.

^ Appointed as Additional Director w.e.f 11th February 2015.

V. Stakeholders' Relationship Committee

During the year, the Shareholders/Investor Grievance Committee was reconstituted as "Stakeholders' Relationship Committee".

The Stakeholders' Relationship Committee has been constituted to monitor and review investors' grievances, shares transfers etc. The members of the Stakeholders' Relationship Committee are Mr. M.Y. Noorani, Mr. M.L Apte, Mr. A.Y. Noorani and Mr. S.Y. Noorani.

Mr. M.Y.Noorani (Non-Executive Director) is the Chairman of the Committee. Mr. Kumar Iyer, Company Secretary is the Compliance Officer. A total of 23 shareholders' complaints were received during the year and were reported to the Committee. All the complaints were resolved to the satisfaction of the shareholders. There were no pending complaints as on 31st March 2015.

VI. Corporate Social Responsibility (CSR) Committee

The Board of Directors, during the year constituted "Corporate Social Responsibility Committee" as required under Section 135 of the Companies Act 2015. The members of the Corporate Social Responsibility Committee are Mr. M.L Apte, Mr.M.Y Noorani, Mr.A.Y. Noorani and Mr.S.Y. Noorani. Mr. M.L Apte is the Chairman of the Committee. Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

The Corporate Social Responsibility Committee recommends to the Board Corporate Social Responsibility Policy and CSR initiatives and it also monitors implementation of the activities undertaken as per the policy.

VII. Risk Management Committee

The Board of Directors, during the year, constituted "Risk Management Committee" as required under Clause 49 of the Listing Agreement. The Committee is responsible for risk identification, evaluation and mitigation and to set up process for risk management plan. The members of the Risk Management Committee are Mr.S.R. Iyer, who is the Chairman of the Committee and other members are Mr. A.Y.Noorani & Mr.S.Y.Noorani. Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

VIII.Forex Committee

The Company has a Forex Committee and the members of the said Committee as on 31st March 2015 are Mr. M.Y.Noorani, Mr.A.Y. Noorani, Mr. S.Y. Noorani and Mr. Bernhard Steinruecke. Mr. M.Y. Noorani is the Chairman of the Committee. Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

IX. Investment Committee

The Company has a Investment Committee and the members of the said Committee as on 31st March 2015 are Mr. S.R.Iyer, Mr. M.Y. Noorani, Mr. A.Y. Noorani and Mr. S.Y. Noorani. Mr. M.Y. Noorani is the Chairman of the Committee. Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

X. Subsidiary Companies

The Company has five subsidiary companies namely:

- (1) Zodiac Finsec and Holdings Limited.
- (2) Zodiac Clothing Company S.A (Switzerland).
- (3) Zodiac Clothing Company (U.A.E) LLC (step down subsidiary).
- (4) Zodiac Clothing Company INC (step down subsidiary).
- (5) Zodiac Properties Limited (step down subsidiary).

None of the above Companies are material subsidiaries as defined under Clause 49 of the Listing Agreement. However the Company has formulated the material subsidiary policy and uploaded on the website of the Company.

The Audit Committee reviews the financial statements of the subsidiaries, in particular the Investments made, if any by the subsidiary company.

The Minutes of the Board Meeting of the Subsidiaries are periodically placed before the Board of Directors of the Company. The Management also brings to the attention of the Board periodically, the statement of significant transactions entered to by the subsidiaries, if any.

XI. Directors seeking appointment/re-appointment

Re-Appointment: Mr.S.Y. Noorani

Mr. S.Y. Noorani, Managing Director & President, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Appointment:

In terms of the provisions of section 149 of the Companies Act 2013, the following Directors are proposed to be appointed as Independent Directors from the period 12th August 2015 to 11th August 2020.

Mr. Saumitra Chaudhuri

Mr. Saumitra Chaudhuri, Non-Executive Director was appointed as an Additional Director of the Company w.e.f 12th November 2014.

Mr. Chaudhuri is M.A.(Economics) from Jawaharlal Nehru University, New Delhi and B Sc.(Hon) from Guwahati University.

Mr. Chaudhuri holds no shares in the Company

Ms. Elizabeth Jane Hulse

Ms. Elizabeth Jane Hulse, Non- Executive Director was appointed as Additional Director of the Company w.e.f 11th February 2015

Ms. Elizabeth Jane Hulse is BA. Hons. Textiles from Middlesex University.

Ms. Elizabeth Jane Hulse holds no shares in the Company.

A brief profile of the aforesaid Directors seeking Appointment/Re-appointment is annexed to the notice of 31st Annual General Meeting.

XII. Disclosure

a. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements as stipulated in Annexure XII of Clause 49 of the Listing Agreement. The non-mandatory requirements as stipulated in Annexure XIII of Clause 49 of the Listing Agreement is being reviewed by the Board and adopted to the extent and in manner as stated under the appropriate headings in the Report on Corporate Governance.

b. Related Party Transactions

All transactions entered into with the related parties as defined under the Companies Act 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an Arm's Length basis and do not attract the provisions of section 188 of the Companies Act 2013. There were no materially significant transactions with related parties during the financial year. Related Party Transaction have been disclosed under the note no 37 of significant accounting policies and notes forming part of the financial statements in accordance with Accounting Standard 18. A statement in summary form of transactions with related parties in the ordinary course of business and on Arm's Length basis is periodically placed before the Audit Committee for review and approval.

As required under Clause 49, The Company has formulated a policy on dealing with related party transactions. The policy is available on the website of the Company. i.e. www.zodiaconline.com

None of the transactions with related parties were in conflict with the interest of the Company. All transaction are in the normal course of business and have no potential conflict with the interest of the company at large and are carried out on an arm's length basis.

c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market during the last three years.

d. Whistle Blower Policy

Pursuant to section 177(9) & (10) of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The said policy is disclosed on the website of the Company viz: www.zodiaconline.com.

e. Disclosure of Accounting Treatment

In the preparation of the financial statements the Company has followed the Accounting Standards referred to in section 133 of the Companies Act 2013. The significant accounting policies which are consistently applied are set out to the notes in the financial statements.

XIII.Shareholder Information

General Body Meeting

1. Details of last three Annual General Meetings held:

FINANCIAL YEAR	DAY & DATE	TIME	VENUE
2011-2012	Wednesday August 29, 2012	2.30 p.m.	Nehru Centre, Hall of Culture, Dr. Annie Besant Road, Worli, Mumbai 400 018
2012-2013	Wednesday August 14, 2013	2.30 p.m.	Nehru Centre, Hall of Culture, Dr. Annie Besant Road, Worli, Mumbai 400 018
2013-2014	Tuesday August 12, 2014	3.00 p.m.	Nehru Centre, Hall of Culture, Dr. Annie Besant Road, Worli, Mumbai 400 018

2. Whether any Special Resolution were passed in the previous three AGMs

28th Annual General Meeting held on 29th August 2012: At this meeting no Special resolutions were passed.

No Extra- Ordinary General Meetings were held during the year 2011-12.

29th Annual General Meeting held on 14th August 2013: At this meeting no Special resolutions were passed.

No Extra- Ordinary General Meetings were held during the year 2012-13.

30th Annual General Meeting held on 12th August 2014: At this meeting no Special resolutions were passed.

No Extra- Ordinary General Meetings were held during the year 2013-14.

3. Whether any Special Resolution were passed through Postal Ballot, last year:

During the year the following Special Resolutions were passed through Postal Ballot:

Sr.No.	Notice date	Date of Result	Items
1.	9 th June 2014	21 st July 2014	a) Alteration of Articles of Association of the Company. b) Creation of Mortgage/Charge on the Assets of the Company both present and future to secure credit facilities.
2.	16 th January 2015	26 th February 2015	a) Re-appointment of Mr.Awais A. Noorani, Relative of Director to an Office or Place of Profit.

4. Person who conducted Postal Ballot: B Narasimhan, Proprietor BN & Associates (Practising Company Secretary)
5. Whether any Special Resolution is proposed to be conducted through Postal Ballot: No

XIV. Means of Communications

- a. Quarterly Results
Published in the newspapers in terms of Clause 41 of the Listing Agreement.
- b. Newspapers in which results are normally published in:
 - i. Business Standard (English Newspaper All India Edition).
 - ii. Lokmat (Marathi Newspaper - Mumbai Edition)
- c. The Company's financial results and official press releases are displayed on the Company's website: www.zodiaconline.com
- d. Any presentation made to the Investors and analysts are also posted on the Company's website.
- e. During the year under review, a presentation was made to analysts.

XV. General Shareholders' Information: -

a. Annual General Meeting:

Day & Date	Time	Venue
Wednesday, 12 th August, 2015	3.00 p.m.	Nehru Centre, Hall of Culture, Dr. Annie Besant Road, Worli, Mumbai – 400 018

b. Financial Calendar 2015-2016 (tentative) Schedule of the Board Meetings:

First Quarter ending 30 th June 2015	: Before 15 th August 2015
Second Quarter and Half yearly Results ending 30 th September 2015	: Before 15 th November 2015
Third Quarter ending 31 st December 2015	: Before 15 th February 2016
Fourth Quarter and Annual Results ending 31 st March 2016	: Before end of May 2016

c. Dates of Book Closure:

Friday, 31st July, 2015 to 12th August, 2015 (both days inclusive)

d. Dividend payment date:

Dividend when sanctioned by shareholders will be paid on or before 31st August, 2015.

e. Disclosure of details of Unclaimed Shares (under Clause 5A of the Listing Agreement):

In terms of the amended Clause 5A of the Listing Agreement, the Company is following the prescribed procedure for opening the 'Unclaimed Shares Suspense Account' in respect of the unclaimed physical share certificates. The disclosure of details of the unclaimed suspense account in terms of Clause 5A II(h) of the Listing Agreement are as follows:

Sr.No.	Particulars	No. of Shareholders	No. of Equity Shares
i	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 1 st April, 2014	53	16336
ii	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Shares Suspense Account during the year	0	0
iii	Number of shareholders to whom the shares were transferred from the Unclaimed Shares Suspense Account during the year	0	0
iv	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 31 st March, 2015	53	16336

f. Listing on Stock Exchanges:

The Equity Shares of the Company continue to be listed at the following Stock Exchanges: -

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

National Stock Exchange of India Ltd,

Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051.

Note:

Listing Fees have been paid to the aforesaid Stock Exchanges for the year 2015-2016.

g. Stock Code / Symbol:

BSE Limited : 521163

National Stock Exchange of India Limited : ZODIACLOTH

ISIN : INE206B01013

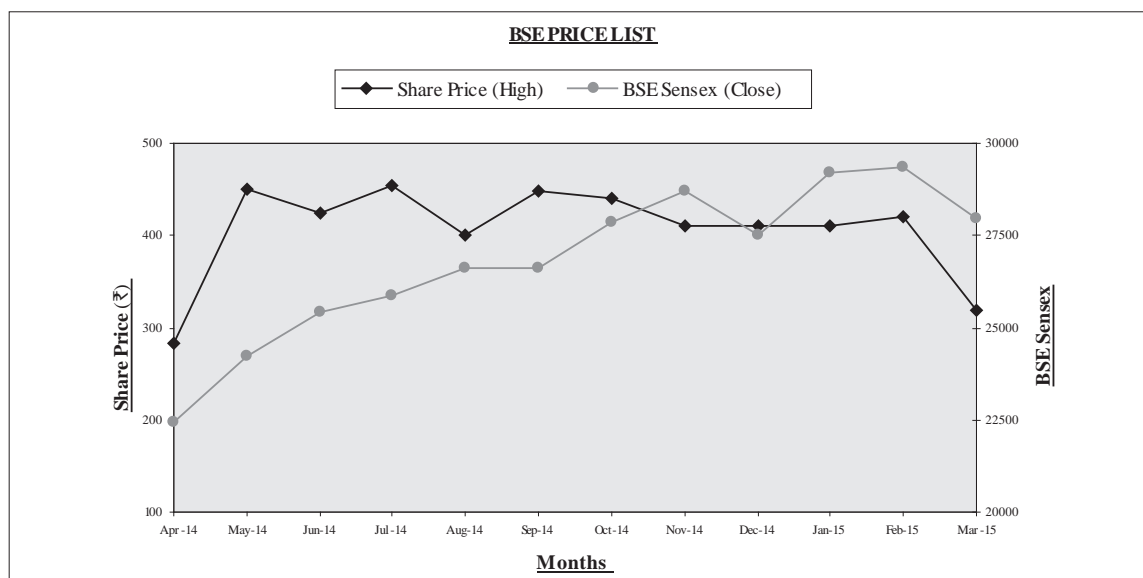
h. Market Price:

The monthly high & low quotations of the Company's shares traded on BSE Limited during the financial year 2014-2015 are as under:

Months	BSE Limited		NSE India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2014	282.95	227.00	283.50	228.00
May 2014	450.00	260.00	454.80	262.15
June 2014	425.00	371.50	440.00	380.00
July 2014	455.00	374.05	431.00	374.05
August 2014	400.00	361.30	400.00	356.00
September 2014	449.00	370.00	444.00	369.00
October 2014	439.60	390.00	404.00	390.00
November 2014	410.00	360.80	409.80	352.95
December 2014	409.90	370.10	400.00	370.00
January 2015	409.60	350.10	409.50	351.25
February 2015	420.00	280.00	429.00	275.20
March 2015	319.00	230.10	301.00	233.50

Performance in comparison to broad based indices:

ZODIAC vs BSE SENSEX



i. Registrar & Share Transfer Agents

Karvy Computershare Private Limited.

Hyderabad Office

Karvy Selenium Tower B,
Plot No.31-32 Gachibowli,
Financial District, Nanakramguda

Hyderabad 500 032

Tel No. 040-67162222

Fax: 040-23001153

Toll Free no.: 1800-345-4001

j. Share Transfer System

Shares held in the dematerialized form are electronically traded in the Depositories and the Registrar and Share Transfer Agents of the company, viz. Karvy Computershare Pvt.Ltd., periodically receive from the Depository the beneficial holdings data, so as to enable them to update their records and to send all corporate communications, dividend warrants etc. Physical shares received for dematerialization/transfer of shares are processed and completed within a period of 15 days from the date of lodgment provided they are in order in every respect. Bad deliveries are immediately returned to Depository participants under advice to the shareholders within the aforesaid period. The Company obtains from Company Secretary in practice half yearly Certificate of Compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files copy of the said certificate with the Stock Exchanges.

k. Distribution of shareholding as on March 31, 2015

ZODIAC CLOTHING COMPANY LIMITED						
Distribution of Shareholding as on 31/03/2015 (TOTAL)						
Sr.no	Category (Shares)	No.of Shareholders	Percentage (%)	No.of Shares	% To Equity	
1	1 - 5000	3008	97.16	848291	4.35	
2	5001 - 10000	27	0.87	199669	1.02	
3	10001 - 20000	24	0.78	336232	1.72	
4	20001 - 30000	11	0.36	276496	1.42	
5	30001 - 40000	3	0.10	96229	0.49	
6	40001 - 50000	5	0.16	226969	1.16	
7	50001 - 100000	4	0.13	293895	1.51	
8	100001 and above	14	0.44	17233418	88.33	
TOTAL:		3096	100.00	19511199	100.00	

l. Shareholding Pattern as on March 31, 2015

Sr.no	Particulars	Total Number of Shares	Percentage of Holding
(I)	(II)	(IV)	(VI)
(A)	PROMOTER HOLDING		
(1)	INDIAN		
(a)	Individual/HUF	2698094	13.83
(b)	Bodies Corporate	2317734	11.88
(2)	FOREIGN		
(a)	Individuals (NRIs/Foreign Individuals)	281325	1.44

Sr.no	Particulars	Total Number of Shares	Percentage of Holding
(b)	Bodies Corporate	6309764	32.34
	TOTAL (A)	11606917	59.49
(B)	PUBLIC SHAREHOLDING		
(1)	INSTITUTIONS		
(a)	Financial Institutions /Banks	112	0.00
(b)	Foreign Institutional Investors	1874009	9.60
(2)	NON-INSTITUTIONS		
(a)	Bodies Corporate	1247491	6.39
(b)	Individuals		
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	928175	4.76
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	3323286	17.03
(3)	OTHERS		
	Clearing Members	2394	0.01
	Non Resident Indians	528713	2.71
	Trusts	102	0.00
	TOTAL (B)	7904282	40.51
	GRAND TOTAL (A+B) :	19511199	100.00

m. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

n. Liquidity

Zodiac Clothing Company Limited. Equity Shares are traded on Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited.

o. Plant Locations:

(I) Bangalore: –

1. Near Bangalore Cross, Air Force Station, P.O.Yelahanka, Bangalore - 560 063.
2. No.48, 7th Cross, Visweshwaraiah Industrial Area, Whitefield Road, Mahadevapura Post, Bangalore - 560 048.
3. No. 107 & 108, 4th 'C' Cross, 5th Block, Koramangala Industrial Layout, Bangalore - 560 095
4. No. 9B, 2nd Phase, Bommasandra Industrial Area, Hebbatgudi Village, Anekal Taluka Bangalore - 560 099

(II) Gujarat: –

1. A-1, 181 / 1, GIDC, Umbergaon, Valsad, Gujarat: 396171.
2. C-2 / 7, GIDC Industrial Area, Umbergaon, Valsad, Gujarat - 396 171.
3. Plot no. 411, Phase III, GIDC, Umbergaon, Valsad,Gujarat- 396171.

(III) Mumbai: –

1. A to Z Industrial Premises Co-op. Society Ltd.,
G.K.Marg, Lower Parel, Mumbai - 400 013

p. Address for Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:–

M / s. Karvy Computershare Pvt. Ltd, at the address mentioned at (i) above.

For general correspondence write to:

Zodiac Clothing Company Limited

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

Email: cosecy@zodiacmtc.com

Shareholders holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

Note:

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board of Directors of the Company have formulated a formal 'Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' and have also adopted the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.

q. Auditors' Certificate on corporate governance

As required by Clause 49 of the Listing Agreement, the Auditor's Certificate is given as an annexure to the Directors' report.

CEO/CFO CERTIFICATION UNDER CLAUSE 49 OF LISTING AGREEMENT

We, A.Y. Noorani, Vice Chairman and Managing Director and Aneel Saraff, Chief Financial Officer (CFO) to the best of our knowledge and belief, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 of Zodiac Clothing Co. Ltd., and that to the best of our knowledge and information: -
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and information, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee: -
 - (i) significant changes in internal control during the year,
 - (ii) significant changes in accounting policies during the year if any, and that the same have disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2015.

A.Y. NOORANI
Vice-Chairman & Managing Director

ANEEL SARAFF
Chief Financial Officer (CFO)

Place : Mumbai
Date : 10th June, 2015

MANAGEMENT DISCUSSION & ANALYSIS

A. OVERVIEW

The scenario in the domestic branded clothing industry during the year was unsettled for a variety of reasons. The year commenced with healthy growth in domestic demand partly because of euphoria over an action-oriented and stable government having come into place. This, unfortunately, did not sustain, as the hard reality remained, i.e. the measures initiated by the new government are likely to impact the economy after passage of time and the consequential uplift in consumer sentiment and demand could show sustained improvement only thereafter. The good news on abatement of inflation and drop in oil prices and an improvement in the current account deficit position, have by themselves not been enough to generate significant growth in demand in 2014-15. The reforms/initiatives that have been initiated by the new Government need to be executed well and in time for the desired objective to be achieved.

The small quantum of domestic volume growth recorded in the year was disrupted by the large discounts extended by sellers round the year, on account of excessively high levels of inventory held by several players in our industry. The situation was further complicated by the gigantic strides that have been made by e-commerce. Although e-commerce does not directly impact the segment of clothing serviced by our company, it has resulted in capturing a large share of the wallet – that is, the total consumption expenditure budget – of our target audience, by inducing them to spend on other consumer goods categories like white goods and mobile phones, some of which offered at unbelievably low prices, often below cost.

Due to the feeble and erratic demand situation, the foot falls in malls were lower, and there is a major shake out in progress with a number of malls in the process of being closed down. This presents an opportunity for companies such as ours to obtain quality retail space at somewhat reasonable prices.

Although the medium to longer term consumer story of the country remains intact, the growth in demand – contingent on higher GDP growth, a robust economy with across-the-board revival in investment, jobs and income opportunities – is vital before sizeable increase in consumer off-take sets in. The “Make in India” vision can be a major instrument for achieving these objectives, coupled with the steps taken for ease of doing business and simplification/rationalization of laws.

The roll out of the Goods & Services Tax (GST), although delayed, is very high on the agenda of the government after having announced that it would become effective from 1 April 2016. Hopefully the legislation will be approved by Parliament in the Monsoon Session. This, if

executed well, could be a game changer. The rate of GST applicable to our industry will need to be appropriate to its structure, a one-size-fits-all approach to rate fixing would damage the industry irreparably.

The situation in the international market, is also highly unsettled. The European Union (EU), due to their economic problems, has had to resort to quantitative easing. The jury is out on whether quantitative easing will help the economy turn around. Meanwhile, there has been yet another crisis in Greece. Added to this, is the demographic profile of an aging population in the most prosperous EU member countries, where unemployment is rising substantially and specially for younger people in Italy, Spain and Portugal. The European market has consequently been at a very low ebb. As a consequence of this, suppliers to the EU have had to re-focus and launch a very strong thrust in those markets of the developed West where the demand situation is better, particularly, the UK, in Europe and in the USA, albeit only slightly. Resulting from this fierce competition from suppliers that are being squeezed in the continental countries of the EU, there has also been very strong price pressure in those markets where there is demand such as the UK and the USA; in the continental EU market the competition for a larger slice of a smaller pie has also become even more severe.

Clothing exports from India has grown, in the early part of the financial year, but has tapered off sharply in the latter part. Cotton clothing has grown by a meagre 3% growth, with Silk, Manmade Fibre and other Fibres (Vegetable fibres like Flax, Linen) growing more sharply, mostly in the Ladies clothing segment. However, this business has been done at considerable sacrifice in pricing and margins. The data on apparel imports into the US show that in 2014 quantity growth was 3.2% and 4.9% in the first four months of 2015. Of the top ten exporting countries to the US, India has fared relatively very well for textiles and apparel put together. Cotton apparel imports into the US has, however, shrunk in 2014 as well as in the first four months of 2015, while manmade, wool and other vegetable fibre based apparel have grown. With China going into an economic slowdown, the entire global market seems to be listless and the situation is likely to take time before a return to better times.

The business of import of clothing in the international markets is now being done on much shorter lead times to minimise inventory risk and carrying cost. The importer is able to negotiate much lower prices, demand a higher level of quality and better credit terms, which enables him/her to achieve higher margins on an almost flat turnover, at the cost of the exporter.

India's competitiveness in the export of clothing has been considerably eroded due to the Rupee having

become over-valued by 8% according to the RBI over 2013-14 and 22% with respect to 2004-05. Various steps to restore competitiveness need to be put in place, most important of which is the simplification of laws for the import of raw material, benchmarked with best practices in competing countries.

Reform of Labour Laws and Rules has commenced with Madhya Pradesh already permitting stores to function 24 x 7 / 365 days, and Maharashtra is considering adopting the same (this needs to be rolled out nationwide at the earliest), besides reduced onerous nature of labour law compliance, and encouragement of State Governments to take initiatives to modernise labour regulations. Initiatives like pushing States to align with international best practices for grant of clearances and ensuring compliance, an Advisory to Secretaries of the Government of India and Chief Secretaries of States to simplify and rationalise the regulatory environment, increase in validity period of Industrial Licences and simplification of application process, adoption of National Classification Code NIC 2008, which is globally recognised, integration of several more Central Services with more Ministries and entities like CBDT/RBI /PF/DGFT, etc, FDI liberalisation in several areas, work taken up on 5 smart cities in the Delhi-Mumbai corridor, several more industrial corridors on the planning board, Skill Development being pursued aggressively, reduction in the paperwork for Imports and Exports, circulation to states of 98 reform measures in “Ease of Doing Business” are some of the many reforms that have been initiated, ending the lull of years in the space.

These steps are certainly in the right direction, and hold out promise of further reform. Although all problems that have accumulated for so long cannot be set right in a year or two, it is important to have a long term view in challenging times, which is reflected in policy initiatives.

The EU seems keen to resume negotiations on the long-awaited FTA. One of the spokesmen for the EU, namely the EU Ambassador to India, has been reported in the Press as having indicated that the bilateral business between the EU and India would double to Euro 200 billion within four years of the Agreement being signed. When the Treaty is actually signed, it would restore India’s competitiveness in the EU very substantially.

B. INDUSTRY STRUCTURE AND DEVELOPMENT

Bangladesh is recovering from the setbacks they faced during the previous year vis-à-vis safety, fair wages and human rights.

China has made investment in low-cost countries like Bangladesh, Vietnam, Cambodia and Myanmar, to be able to address its need to grow consumption in China with its own production, notwithstanding its own problems stemming from demographics, the prospective

limits to labour force growth and higher wages; China itself is graduating to higher levels in the value chain.

Turkey is trying to address the need for short lead time/ quick deliveries, with lower cost and lower transit time for transportation to the EU, helping EU retailers and brands looking to reduce their risk and investment in inventory. It is also buying selectively across the world for cheap inputs, including from India.

International retailers and brands are likely to continue to seek to protect their margins to meet their contribution needs on flat or lower throughput, by putting suppliers under even greater stress.

Our country could benefit substantially by unlocking our pool of human resources, using a combination of equipment and systems on the one hand, and greater skilling of the work force on the other, to drive up productivity and quality simultaneously. This, coupled with possible Trade Agreements with major importing countries, particularly the EU, could still result in a “win-win situation” for India to create its own niche and capture a bigger slice of the market.

Latin America, Africa, China and South-East Asia hold great promise as markets of the future for the Indian clothing industry.

The apparel industry continues to hold potential, not just for generating large gender sensitive employment, but also to create jobs for the large numbers expected to enter the workforce in the next decade. The industry associations have to be able to articulate that this industry can generate huge employment, to capture the focused attention of the Government.

C. OPPORTUNITIES AND THREATS

Arresting the export of India’s taxes continues to be a major opportunity, because the industry is capable of competing with most competitor countries, given a like-for-like situation.

Towards this end, the recommended exemption from Service Tax for exporters of clothing addresses this need.

Cost of Funds for the exports markets should be available at international pricing in Rupees to be able to compete effectively, because a differential of 7% to 8% is difficult to absorb. This can present a major opportunity as well.

The quick resolution of the India-EU Free Trade Agreement, which has been lingering for more than 7 years is a major opportunity, because this would reposition India vis-à-vis not only Bangladesh, but also vis-à-vis several of our other competitor countries. Similar agreements with other major markets, especially the USA and Canada, would be most desirable.

The roll out of GST is a major opportunity for the industry, provided the rate is fixed with minute due diligence on

the peculiarities of the industry, in the absence of which it could become destructive and a major threat.

Building Brand India, were it to be prioritised under the “Make In India” project, can be an opportunity, if executed well. We have the outstanding examples of Japan and Korea on how this was executed flawlessly and on a fast-track basis.

The existing Advance Licence/EODC System belongs to a different era (the like of which does not exist in any of our competitor countries), and is a major threat, because of the cumbersome procedure and the discharge of export obligation being as traumatic as it is.

If one is looking at a quantum jump in the export of clothing, global sourcing of fabric and accessories is vital to be able to widen the offering. A system which is in line with best practice in competitor countries is absolutely essential.

The existence of the C Form system used for availing lower tariff, is a barrier to entry of goods moving within our own country! As long as the C Form is required, and the process for obtaining it is as complex as it is, trade within the country carries an additional cost of 3% for the manufacturers, because a substantial portion of their turnover is such that the buyer does not furnish the C Forms despite regular follow-up, and the manufacturers end up having to pay the differential tax because of this default.

Relegating of Indian brands to the first/upper floors in malls is a threat because the ground floor is earmarked for foreign brands, several of which are fifth rate brands. In the eyes of the consumer, this is downgrading of premium Indian brands which rightfully belong on the ground floor, apart from the fact that 60% of the consumers entering malls do not graduate beyond the ground floor. To build Brand India, it is vital to showcase Indian brands to maximum advantage.

As has been discussed, the malaise in consumer demand in the two major exports markets, of the EU and the USA, and particularly of Continental Europe, do not show significant signs of improving substantially in the near term.

There is some uncertainty over when consumer demand in India will bounce back, given the buying potential of the young population, who have not seen any increase in their income or who are unemployed, or are employed in jobs paying lower than their market value. That this will change, given the initiatives and the reforms rolled out, is a given – the question is, when that will happen?

D. SEGMENT WISE / PRODUCT WISE PERFORMANCE

Our Segments are reviewed in terms of the relevant Accounting Standards, with focus on the differential

risks and returns of these segments, bearing in mind the organization structure.

The Geographical Segment is identified and given below:

Year Ended 31st March 2015

Unit: ₹ in Lakhs

Particulars	India	Rest of the World	Total
Segment Revenue (Net)	189,040	135,970	325,010
Carrying Cost of Segment Asset	275,690	17,080	292,770
Capital Expenditure	16,450	-	16,450

E. OUTLOOK

The Indian and Global environments have changed, with the future being more difficult to forecast. The global situation is particularly complex, as in the EU it seems very difficult to project when markets will revert to normalcy. The US market is confounding, because retail sales have continued to be subdued and often negative notwithstanding the broader sense that the US economy is recovering. With the possibility that the US Federal Reserve will move towards normalizing monetary policy and that this will necessarily involve increase in interest rates, one wonders what impact there will be on demand, not just in the US, but also in most markets in the world.

With the Indian policy framework being strengthened, one expects greater ease in doing business and a fillip to manufacturing under the “Make in India” vision. India’s organised retail is increasing scale through M&A and is forecast to more-than-double in the next few years, subject to addressing the stumbling blocks. This can be only beneficial to the industry.

Decisive political leadership, empowered bureaucracy, accelerated GDP, CAD down 1.6%, subdued inflation, WPI inflation negative, greater preparedness to meet exogenous uncertainties have brought back India on the radar of Foreign Investors. We have built up a record level of foreign reserves in excess of USD 350 billion, a war chest which can help us combat various threats, including the impact of an increase in interest rates in the US.

The spend on advertising and brand building were enhanced by the company. The momentum of store openings was also stepped up due to increased availability of potentially viable locations. The Company has also made investments on productivity and quality enhancement equipment on a pilot basis. The initial results being most encouraging, this will be rolled out on a large scale.

F. RISKS & CONCERNS

The global economy’s woes have hurt the performance of even IT companies. The limp demand in India has

been a damper for some of the best companies, across industries, in the country. This is something which continues to cause concern.

The weakness of the EU economy and the somewhat uncertain recovery in the US, the volatility/depreciation faced by the Euro, and the overvaluation of the Indian rupee, continue to be a cause of concern, as also the impact of spending cuts in the EU and the prospective increase in US interest rates.

The unfair advantage that e-tailing enjoys over brick-and-mortar retailing is another cause of concern, necessitating a clearer decision on 51% FDI in retailing. The massive discounting/selling below cost by e-tailers has disrupted markets.

Total exports from India were negative in December 2014 and in January, February and March 2015 (also April and May 2015). How quickly we return to growth is also a matter of concern.

Clothing exports too have given up much of the growth recorded in the early part of the financial year. In fact, the dominant fibre for clothing exports, viz., cotton which is 70% of our exports (whereas 65% of global trade in clothing is in manmade fibres) has grown by a mere 3%. Furthermore, this 3% was also achieved at a great sacrifice of prices and margins. This is a matter of grave concern, because by next year India should overtake China to become the largest cotton-producing country in the world. Our global share in clothing is 12% - 14% in cotton clothing vs. 4% - 5% for clothing of all fibres. This shows the underlying potential for capturing further market share in cotton clothing. If we have to play to our strength, we have to capture a much greater share of global trade in men's clothing in cotton, in line with our position of being No. 1 producer in the world.

One of the risks common across industries and other countries, besides the impending increase in interest rates by the US Federal Reserve and the prospect of rising oil prices and its impact on the country's CAD.

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems, which are supplemented by an exhaustive process of internal audit (conducted by KPMG), which is regularly subjected to in-depth involvement of the management and monitored by the Audit Committee of the Board. Internal Audit covers the various functions, processes and other activities, including own retail operations of the company. Transactions are authorised, recorded and reported accurately and subjected to audit as well. The system of internal controls also ensures that all assets are safeguarded, insured and protected against loss.

H. COMPANY'S FINANCIAL PERFORMANCE

(₹ in Lakhs)

	2014-15	2013-14
Total Operational Revenue	32,501	34,851
Profit Before Tax	1,184	2,217
Provision for Taxation:		
Current Tax	217	639
Deferred Tax	18	82
Short Provision for Tax pertaining to Previous Year	-	3
Profit after Taxation	949	1,493
Excess Provision for Tax on Dividend for the Previous Year Written Back	111	33
Profit Available for Appropriation	11,670	11,784
Appropriation		
Transfer to General Reserve	100	153
Proposed Final Dividend and Interim Dividend	605	873
Tax on Proposed Final Dividend	100	148
Balance Carried Forward	10,865	10,610
Total	11,670	11,784

Operational Revenue & Profits:

The operational revenue was hit badly, largely due to the design-driven international business, where the quantity exported was lower, and the unit value realisation was lower in both USD and Rupee terms. Consequently, the PBT and PAT were lower, also impacted by higher prices paid for fabric (due to up-charge for smaller quantities bought per article) and lower Duty Drawback.

This was despite higher contribution from the branded business (subdued consumer demand and disruption of the market, notwithstanding), which also was eroded considerably due to sharp increases in Store Rentals (₹ 7.43 crore), Personnel Cost (₹ 2.29 crore), Advertising (₹ 2.00 crore). The story would have been radically different, had the Indian market not turned sluggish after Q1.

During the year:

With the issue of 121,201 shares under ESOP, the paid-up capital of the company increased from ₹ 19,38,99,980/- to ₹ 19,51,11,990/-

The Company is in compliance with the Code of Conduct for Prevention of Insider Trading formulated in terms of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.

Dividends – Your Directors have recommended a final dividend of ₹ 2.50 per Equity Share of ₹ 10/- each on 19,511,199 Equity Shares. The company had distributed an interim dividend of ₹ 0.60 each per equity share during the year. The total dividend for the year will be ₹ 3.10 (previous year ₹ 4.50) per equity share. The total dividend amount (when approved by the shareholders) including dividend distribution tax would be ₹ 705 lakhs (previous year ₹ 1,021 lakhs). Dividend (including dividend distribution tax) as a percentage of Profit after Tax is 74.28% on a Standalone basis and 80.66% on Consolidated Basis.

During the year 16 Stores were opened (1 store closed – a net addition of 15 stores) with 128 stores at the end of the year vs. 113 at the start.

ICRA (an associate of Moody's Investor Service) has reaffirmed the company's rating of A1+ for its short-term fund-based/non-fund based facilities at ₹ 8,000 lakhs. ICRA has also reaffirmed the company's rating of A1+ for Commercial Paper of ₹ 2,000 lakhs.

A1 is the highest credit quality rating assigned by ICRA to short term debt instruments, which carry the lowest credit risk in the short term. Within this category, certain instruments are assigned the rating of A1+ to reflect their relatively stronger credit quality.

I HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATIONS:

The company recognises the need of continuous growth and development of its employees to meet the challenges posed by a rapidly growing consumer facing

organization, besides fulfilling their own career path objectives. Consequently the role of Human Resources continues to remain vital and strategic to the company. Employee recruitment, training, and development are a key focus area, with policies, processes and extensive use of technology to attract, retain, and build on skills of high calibre employees. In keeping with its philosophy of a healthy and safe work environment, regular independent third party audits, certification, and training programs are carried out. Industrial relations have continued to be harmonious throughout the year.

J. CAUTIONARY STATEMENT

Statements in the report on Management Discussion & Analysis describing the company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those express or implied. Important factors that could make a difference to the company's operation include global demand-supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations in India, trade agreements, especially with the EU and the US.

The company assumes no responsibility in respect of forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

COMPLIANCE CERTIFICATE

Auditors' Certificate to the Members of Zodiac Clothing Company Limited on Compliance of the Conditions of Corporate Governance for the Year Ended 31st March, 2015, Under Clause 49 of the Listing Agreements with Relevant Stock Exchanges.

1. We have examined the compliance of the conditions of Corporate Governance by Zodiac Clothing Company Limited ("the Company"), for the year ended 31st March, 2015, as stipulated in clause 49 of the listing agreements of the said Company with relevant stock exchanges in India (hereinafter referred to as clause 49).
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and

the representation made by the Management, we certify that the Company has complied, with the conditions of corporate governance as stipulated in Clause 49.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Laxminarayan
Place : Mumbai Partner
Date : 10th June, 2015 (Membership No: 33023)



Pure Silk Vicenza Ties



Pure Silk Vicenza Ties

A close-up, artistic photograph of a collection of silk pocket squares. The squares are piled together, creating a sense of depth and texture. The patterns include solid colors (purple, blue, yellow, red, dark blue), stripes (black and white), paisley (blue and white, yellow and blue), polka dots (red with white dots, blue with black dots, white with black dots), and geometric patterns (black and white zig-zag). The lighting highlights the smooth, lustrous surface of the silk.

Pure Silk Pocket

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ZODIAC CLOTHING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view

in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 (i) to the standalone financial statements;
- ii. The Company did not have any long-term contracts including long term derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the

Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Laxminarayan
(Partner)
Place : MUMBAI,
Dated : 27th May, 2015 (Membership No. 33023)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

(Referred to in paragraph 5 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Zodiac Clothing Company Limited on the standalone financial statements for the year ended March 31, 2015)

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (ii) In respect of its inventories:
 - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 - (iii) According to the information and explanations given to us, the Company in an earlier year granted unsecured loans, to a company, covered in the Register maintained under Section 189 of the Act. In respect of such loans:
 - a) In the absence of stipulations, the regularity of the receipt of principal amount has not been commented upon, but it is repayable on demand.
- The receipts of interest have been regular as per stipulation.
 - b) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.
 - (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in such internal control system.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the Company.
 - (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.
 - (vii) According to the information and explanations given to us:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities.

- b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.
- c) As at March 31, 2015, the following are the particulars of dues on account of income tax, sales tax, that have not been deposited on account of any dispute:

Name of Statute	Nature of Dues	Forum where dispute is pending	Amount (in ₹)	Period to which the amount related
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Mumbai	782,443	A.Y. 2001-02
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax (TDS), Mumbai	159,653	A.Y. 2006-07
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax (TDS), Mumbai	70,269	A.Y. 2007-08
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax (TDS), Mumbai	265,686	A.Y. 2008-09
The Kerala General Sales Tax Act, 1963	Sales Tax	Deputy Commissioner (Appeals) of Commercial Taxes, Ernakulam	190,369	F.Y. 2001-02
The Kerala General Sales Tax Act, 1963	Sales Tax	Deputy Commissioner (Appeals) of Commercial Taxes, Ernakulam	214,569	F.Y. 2002-03
The West Bengal Sales Tax Act, 1994	Sales Tax and Penalty	Assistant Commissioner of Commercial Taxes, Kolkata	689,936	F.Y. 2002-03
The West Bengal Sales Tax Act, 1994	Sales Tax and Penalty	Assistant commissioner of Commercial Taxes, Kolkata	95,105	F.Y. 2003-04
The Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	Assistant Commissioner of Commercial Taxes, Kolkata	604,159	F.Y. 2002-03
The Central Sales Tax Act, 1956	Sales Tax and Penalty	Assistant Commissioner of Commercial Taxes, Kolkata	709,091	F.Y. 2003-04
The Bombay Sales Tax Act, 1959	Sales Tax, Interest and Penalty	Joint Commissioner of Sales Tax Appeal (II), Mumbai	1,138,300	F.Y. 2002-03

- d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered and in the immediately preceding financial year.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not borrowed from any financial institution and has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Laxminarayan
(Partner)

Place : MUMBAI,
Dated : 27th May, 2015 (Membership No. 33023)

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	195,111,990	193,899,980
(b) Reserves and surplus	3	1,616,352,034	1,567,546,640
		1,811,464,024	1,761,446,620
2. Non-current liabilities			
(a) Long-term borrowings	4	24,962,150	-
(b) Deferred tax liabilities (net)	36	48,029,111	46,224,117
(c) Long-term provisions	5	11,967,135	9,479,928
		84,958,396	55,704,045
3. Current liabilities			
(a) Short-term borrowings	6	494,599,270	415,537,724
(b) Trade payables	7	328,920,714	353,711,235
(c) Other current liabilities	8	145,134,773	134,306,897
(d) Short-term provisions	9	62,607,486	136,688,388
		1,031,262,243	1,040,244,244
TOTAL		2,927,684,663	2,857,394,909
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10A	940,745,789	855,267,848
(ii) Intangible assets	10B	13,284,279	14,840,956
(iii) Capital work-in-progress	10C	47,079,538	32,977,269
(iv) Intangible assets under development	10D	10,372,485	4,584,813
		1,011,482,091	907,670,886
(b) Non-current investments	11	158,539,974	138,539,974
(c) Long-term loans and advances	12	308,158,529	301,873,651
		1,478,180,594	1,348,084,511
2. Current assets			
(a) Current investments	13	65,277,517	104,769,407
(b) Inventories	14	769,428,429	724,060,465
(c) Trade receivables	15	288,749,970	323,224,302
(d) Cash and cash equivalents	16	29,989,786	28,542,527
(e) Short-term loans and advances	17	296,049,427	328,713,697
(f) Other current assets	18	8,940	-
		1,449,504,069	1,509,310,398
TOTAL		2,927,684,663	2,857,394,909

See accompanying notes forming part of the financial statements 1-46

In terms of our report attached.
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. LAXMINARAYAN
Partner

Place: Mumbai
Date : 27th May, 2015

For and on behalf of the Board of Directors
M. Y. NOORANI
Chairman

ANEEL SARAFF
Chief Financial Officer

A. Y. NOORANI
Vice Chairman & Managing Director

KUMAR IYER
Company Secretary

Place : Mumbai
Date : 27th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
1. Revenue from operations (gross)	19	3,250,138,690	3,490,564,572
Less: Excise duty		-	5,487,124
Revenue from operations (net)		3,250,138,690	3,485,077,448
2. Other income	20	155,820,320	66,282,202
TOTAL REVENUE (1+2)		3,405,959,010	3,551,359,650
3. Expenses			
(a) Cost of materials consumed	21A	1,230,735,449	1,296,033,502
(b) Purchases of stock-in-trade	21B	204,372,392	180,835,394
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21C	(49,779,245)	(4,160,887)
(d) Employee benefits expense	22	577,343,549	546,355,525
(e) Finance costs	23	22,131,560	21,654,105
(f) Depreciation and amortisation expenses	10	80,493,188	81,837,850
(g) Expenditure on Corporate Social Responsibility	45	2,700,000	-
(h) Other expenses	24	1,219,497,645	1,207,119,600
TOTAL EXPENSES		3,287,494,538	3,329,675,089
4. Profit before tax		118,464,472	221,684,561
5. Tax expense:			
(a) Current tax expense		21,700,000	63,900,000
(b) Deferred tax charge	36	1,804,994	8,253,981
(c) Short Provision of tax pertaining to previous year		-	264,745
6. Profit for the Year from continuing operations		94,959,478	149,265,835
7. Earnings per share (of ₹ 10/- each):			
(a) Basic	40	4.89	7.70
(b) Diluted	40	4.87	7.70

See accompanying notes forming part of the financial statements 1-46

In terms of our report attached.
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. LAXMINARAYAN
Partner

Place: Mumbai
Date : 27th May, 2015

For and on behalf of the Board of Directors
M. Y. NOORANI
Chairman

ANEEL SARAFF
Chief Financial Officer

A. Y. NOORANI
Vice Chairman & Managing Director

KUMAR IYER
Company Secretary

Place : Mumbai
Date : 27th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31 st March 2015 ₹	For the year ended 31 st March 2014 ₹
A. Cash flows from operating activities		
Profit before Taxation	118,464,472	221,684,561
Adjustments for:		
Depreciation and amortization	80,493,188	81,837,850
Provision for Doubtful Debts and Advances	1,822,173	4,792,689
Provision for Doubtful Debts written back	-	(295,386)
Liabilities / provision no longer required written back	(12,291,749)	(7,397,127)
Provision for Wealth Tax	300,000	300,000
Assets Discarded Written off	-	1,108,959
Net Exchange Loss on Revaluation	81,148	2,933,772
(Profit)/ Loss on Sale of Fixed Asset	(60,728)	542,550
Reduction in carrying amount of current investment	-	1,221,713
Loss on Sale of Current Investment	-	13,500
Profit on Sale of Current Investments	(11,719,713)	(6,071,304)
Dividend Income from Investments	(80,714,542)	(25,223,939)
Finance Costs	22,131,560	21,654,105
Interest Income	(23,752,446)	(22,962,535)
	(23,711,109)	52,454,847
Operating Profit before working capital changes	94,753,363	274,139,408
Adjustments for:		
Trade and other receivables	10,081,354	(132,703,665)
Inventories	(45,367,964)	(28,616,094)
Trade and other Payables	(44,334,737)	79,372,965
	(79,621,347)	(81,946,794)
Cash from operations	15,132,016	192,192,614
Direct taxes refund / (paid) (Net)	1,437,128	(71,877,092)
Net cash generated from operating activities (A)	16,569,144	120,315,522
B. Cash Flows from investing activities		
Purchases of Current Investments	(353,616,349)	(419,942,746)
Sale of Current Investments	404,827,952	459,652,324
Purchases of Non Current Investments	(20,000,000)	(25,000,000)
Dividend Received	80,714,542	25,223,939
Advances and Loans to Subsidiaries(Net)	6,402,079	6,734,833
Interest Income	23,752,446	22,962,535
Purchase of fixed assets	(172,016,923)	(111,295,704)
Proceeds from sale of fixed assets	122,444	555,349
Net cash (Used in) investing activities (B)	(29,813,809)	(41,109,470)
C. Cash flows from financing activities		
Proceeds from short term borrowings	1,778,455,177	1,747,673,070
Repayment of short term borrowings	(1,690,990,697)	(1,762,114,477)
Proceeds from Long-term borrowings	24,962,150	-
Repayment of Long-term borrowings	(580,000)	(2,320,000)
Issue of Shares at premium on exercising of Esops	27,956,800	-
Finance Costs	(22,131,560)	(21,654,105)
Interim dividend paid	11,823,263	-
Dividends paid (including Dividend Distribution Tax)	(114,919,253)	(42,043,219)
Net cash Generated /(Used in) From financing activities (C)	14,575,880	(80,458,731)
Net Increase /(Decrease) in cash and cash equivalents (A+B+C)	1,331,215	(1,252,679)
Cash and cash equivalents as at the commencement of the year	26,744,049	27,996,728
Cash and cash equivalents as at the end of the year	28,075,264	26,744,049
Restricted Cash (Unclaimed Dividend Accounts)	1,914,522	1,798,478
Cash and cash equivalents as at the end of the year as per Note 16	29,989,786	28,542,527

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements".
- Figures relating to previous year have been recast where necessary to conform the figures of the current year.

In terms of our report attached.
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. LAXMINARAYAN
Partner

For and on behalf of the Board of Directors
M. Y. NOORANI
Chairman

A. Y. NOORANI
Vice Chairman & Managing Director

ANEEL SARAFF
Chief Financial Officer

KUMAR IYER
Company Secretary

Place: Mumbai
Date : 27th May, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS

1) SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in the previous year.

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

b) REVENUE RECOGNITION

Sales are recognised when goods are supplied to customers and are recorded net of sales tax/ value added tax, trade Discounts, Rebate and Returns but includes excise duty. Dividend income on investments is accounted when the right to receive the dividend is established. Interest Income is accounted on accrual basis.

Revenue in respect of Insurance/other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

c) EXPORT BENEFITS

Export benefits under various schemes of Government of India are accounted on accrual basis on the basis of exports made and the value of imports made/ to be made there against.

d) FIXED ASSETS

Fixed Assets are recorded at Cost of acquisition. They are stated at historical costs including incidental expenses.

e) DEPRECIATION / AMORTISATION

i) On Tangible Assets:

Depreciation has been calculated on straight-line basis in accordance with the provisions of the Companies Act, 2013. Pursuant to the Companies Act, 2013 ("the Act") becoming effective from 1st April, 2014 and read with the Notification No GSR .627 (E) dated 29th August, 2014 issued by the Ministry of Corporate Affairs, the company has reassessed the useful lives of Fixed Assets other than vehicles based on a technical evaluation carried out by an external agency. Considering the nature of the Company's business, past experience of usage of assets and external technical evaluation, Management believes that the revised useful lives of the assets reflect the periods over which the assets are expected to be used. The estimated useful lives that are different from those prescribed under Schedule II are mentioned below :-

Description	Useful Life
Plant and Equipments	21 years
Furniture and Fixtures	16 years
Office Equipments	21 years
Computer	6 years
Electrical Installation	21 years

Vehicles are depreciated over a period of 8 years as per the useful life defined in Schedule II to the Companies Act, 2013.

Assets costing ₹ 5000/- or less individually are fully depreciated over a period of one year. Cost of Leasehold Land is amortised over the period of lease.

Cost of Leasehold improvements is amortised over the primary period of lease. However, in cases where the company as a lessee has the right of renewal of lease and it is intended to renew for further periods, then the cost of such leasehold improvements is amortised over such extended period.

ii) On Intangible Assets:

a) Goodwill

At the time of acquisition of the business, the difference between the cost of investments and the fair value of assets as at the date of acquisition is accounted for as goodwill. Goodwill is amortised over a period of 10 years.

Goodwill on amalgamation in the nature of merger is amortised over a period of 5 years.

- b) Computer software is amortised on straight line basis over a period of 6 years.

f) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impaired loss recognised in prior accounting periods is reversed if there is a change in the estimate of the recoverable value.

g) INVESTMENTS

Investments are classified into non-current investments and current investments. Investments, which are intended to be held for more than one year, are classified as non-current investments and investments, which are intended to be held for less than one year, are classified as current investments. Non-current investments are accounted at cost and a provision for diminution is made to recognize a decline other than temporary in the value of long term investments. Current investments are valued at cost or fair value whichever is lower.

Investments include investments in shares of a company registered outside India. They are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.

Any profit or loss on sale of investments is determined on the basis of the average cost of acquisition.

h) TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss. Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at

the inception of such forward exchange contracts are amortised as income or expense over the life of the contract.

Gains / Losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

i) HEDGE ACCOUNTING

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Further, non-derivative financial liabilities in the form of Pre-shipment Export Credit in Foreign Currency (PCFC) borrowings have also been designated as hedging instruments to hedge the highly probable forecast sales in foreign currency. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates.

Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the Statement of Profit and Loss for the period.

j) INVENTORIES

- a) Raw materials are valued at cost or net realisable value whichever is lower. The cost includes purchase price as well as incidental expenses. The cost formulae used are First In First Out, Weighted average cost or Specific identification method, as applicable and found appropriate.
- b) Work-in-progress is valued at cost calculated on the basis of absorption costing or net realisable value whichever is lower.
- c) Finished goods are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing.

- d) Packing materials and accessories are valued at First in First out cost or net realisable value whichever is lower.
- e) Stores and spare parts are valued at First in First out cost or net realisable value whichever is lower.

k) EMPLOYEE BENEFITS

- a) The contribution to Provident Fund as required under the statute is made to the Government Provident Fund and is debited to Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit obligation. The Company has taken Group gratuity- cum-life assurance (cash accumulation) Scheme offered by Life Insurance Corporation of India (LIC). Annual contributions are made on the basis of intimation received from LIC. The company accounts for liability for future gratuity benefits based on actuarial valuation carried out as at the end of each financial year. Actuarial gains and losses are recognized in full in Statement of Profit and Loss for the period in which they occur.
- c) Benefits in the form of vesting and non-vesting compensated absences are accounted as per actuarial valuation carried out as at the year end.

l) EMPLOYEE SHARE BASED PAYMENTS

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the company to acquire equity shares of the company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines ; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight- line basis over the vesting period.

m) TAXES ON INCOME

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – Accounting for Taxes on Income. Income Tax comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the revenue authorities, using applicable tax rates and laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company

will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realisation.

n) BORROWING COST

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in the period in which they are incurred.

o) LEASES

Assets taken / given on lease by which all significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payment / receipts under operating leases are recognized as expense / income on straight line basis over the lease term.

p) PROVISIONS AND CONTINGENCIES

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

q) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	₹	Number of shares	₹
NOTE 2 : SHARE CAPITAL				
(a) Authorised				
Equity shares of ₹10/- each	30,000,000	300,000,000	30,000,000	300,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹10/- each	19,511,199	195,111,990	19,389,998	193,899,980
TOTAL	19,511,199	195,111,990	19,389,998	193,899,980

Notes :

- (i) Rights, Preferences and Restrictions attached to equity shares:
- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
 - The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
 - Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company. A member can also exercise his vote by electronic means in accordance with section 108 of the Companies Act, 2013.
- (ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended 31 st March, 2015		Year ended 31 st March, 2014	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Opening Balance	19,389,998	193,899,980	19,389,998	193,899,980
Issue of shares under ESOP	121,201	1,212,010	-	-
Closing Balance	19,511,199	195,111,990	19,389,998	193,899,980

- (iii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares held	% of holding	Number of shares held	% of holding
Asia Tangible Investments Pte Ltd.	3,154,882	16.17	3,154,882	16.27
Euro Global Holdings Pte. Ltd.	3,154,882	16.17	3,154,882	16.27
Miraj Marketing Company LLP	2,317,734	11.88	2,317,734	11.95
Mohammed Yusuf Noorani *	2,660,103	13.63	2,583,805	13.33
Akash Bhanshali	1,361,700	6.98	2,025,000	10.44
Pari Washington Company Pvt. Ltd. A/C Pari Washington India Master Fund, Ltd	1,168,087	5.99	1,108,087	5.71

* Out of 2,660,103 shares held by Mr Mohammed Yusuf Noorani, (previous year 2,583,805), following shares are held by him:-

a) as Trustee for and on behalf of Yusuf Noorani Family Trust	18,990	18,990
b) as Trustee for and on behalf of Anees Yusuf Noorani Family Benefit Trust	8,334	8,334

- (iv) As at 31st March, 2015, 205,326 shares (As at 31 March, 2014, 349,575 shares) were reserved for issuance towards outstanding employee stock options granted (Refer Note 41)
- (v) Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 st March, 2015	As at 31 st March, 2014
Fully paid up by way of bonus shares	10,614,770	10,614,770

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 3 : RESERVES AND SURPLUS		
(a) Securities Premium Account		
Opening balance	240,966,005	240,966,005
Add : Received on issue of Shares on exercise of ESOP under Zodiac Clothing Company Limited Employee Stock Option Plan 2006	26,744,790	-
Closing balance	267,710,795	240,966,005
(b) General Reserve		
Opening balance	247,575,602	232,275,602
Add: Transferred from surplus in Statement of Profit and Loss	10,000,000	15,300,000
Closing balance	257,575,602	247,575,602
(c) Hedging Reserve		
Unrecognised Gains / (Losses) on cash flow hedges (net)		
Opening balance	15,635,089	2,593,652
Add / (Less): Amount reversed on settlement of hedged contracts	(15,635,089)	(2,593,652)
	-	-
Add / (Less): Gain / (Loss) on mark to market of hedging instruments designated and effective as hedges of future cash flows	2,156,279	15,635,089
Closing balance	2,156,279	15,635,089
(d) State Cash Subsidy		
As per last Balance Sheet	1,584,350	1,584,350
(e) Amalgamation Reserve Account		
As per last Balance Sheet	816,433	816,433
(f) Surplus in Statement of Profit and Loss		
Opening balance	1,060,969,161	1,025,759,865
Add: Profit for the year	94,959,478	149,265,835
	1,155,928,639	1,175,025,700
Add: Provision for tax on dividend in terms of Section 115O read with Section 115BBD of the Income Tax Act, 1961 for the previous year written back	11,111,846	3,327,438
Less: Dividend for Financial Year 2013-14 being rounding off differences	596	-
	1,167,039,889	1,178,353,138
Less: Transferred to General Reserve	10,000,000	15,300,000
Interim dividend (₹ 0.60/- per Share) (Previous Year NIL)	11,706,705	-
Final Dividend proposed to be distributed to equity shareholders (₹ 2.50/- per Share) (Previous Year ₹ 4.50/- per Share)	48,777,998	87,254,991
Tax on dividend	10,046,611	14,828,986
Closing balance	1,086,508,575	1,060,969,161
TOTAL	1,616,352,034	1,567,546,640

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
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NOTE 4 : LONG TERM BORROWINGS

Secured Term Loan From Bank	24,962,150	-
	24,962,150	-

- (i) Details of terms of repayment and security provided for the secured long-term borrowings:

Particulars	Terms of repayment and security		
Citi Bank	Secured by way of hypothecation of machinery purchased out of the proceeds of the loan		
	The loan is repayable in 15 equal quarterly installments starting from the 18 th month after the first drawdown dates as under:		
	November, 2014	14,700,000	-
	December, 2014	5,174,300	-
	March, 2015	5,087,850	-
	The loan carries an interest rate of 10.75% p.a.		
TOTAL		24,962,150	-

- (ii) For the current maturities of long-term borrowings, refer item (a) in Note 8: Other current liabilities.

NOTE 5 : LONG-TERM PROVISIONS

Provision for employee benefits:		
- Provision for compensated absences	11,967,135	9,479,928
TOTAL	11,967,135	9,479,928

NOTE 6: SHORT-TERM BORROWINGS

Working Capital Loans :		
From banks		
Secured	473,892,325	415,527,015
Unsecured	20,706,945	10,709
TOTAL	494,599,270	415,537,724

Details of security for the secured short-term borrowings:

Particulars	Nature of security		
Citi Bank /	Secured by hypothecation of Raw materials,		
First Rand Bank	Finished Goods & Semi-finished Goods, Packing Materials & other Accessories, Stores and Spares, Book Debts, other receivables and claims, both present and future.	473,892,325	415,527,015
TOTAL		473,892,325	415,527,015

NOTE 7 : TRADE PAYABLES

Trade Payables:		
Other than Acceptances	325,234,853	350,503,314
Dues of Micro, Small and Medium Enterprises (Refer Note 27)	3,685,861	3,207,921
TOTAL	328,920,714	353,711,235

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 8 : OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term borrowings (Refer note (i) below)	-	580,000
(b) Interest accrued but not due on borrowings	543,657	245,946
(c) Interest accrued and due on borrowings	167,920	176,381
(d) Unpaid dividends (Refer note (ii) below)	1,914,522	1,798,478
(e) Salaries and Wages Payable	25,315,498	21,086,965
(f) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	20,334,814	20,740,800
(ii) Payables on purchase of fixed assets	41,881,144	26,933,314
(iii) Trade / security deposits received	314,282	86,782
(iv) Advances from customers	11,263,955	11,028,388
(v) Provision for bonus	35,058,820	35,837,361
(vi) Others	8,340,161	15,792,482
TOTAL	145,134,773	134,306,897

Notes :

- (i) Refer Note (i) in Note 4 - Long-term borrowings for details of security.
- (ii) There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund

NOTE 9 : SHORT-TERM PROVISIONS

(a) Provision for employee benefits:		
(i) Provision for Incentives	-	7,500,000
(ii) Provision for compensated absences	2,199,435	2,004,411
	2,199,435	9,504,411
(b) Provision - Others:		
(i) Provision for Wealth Tax	300,000	300,000
(ii) Provision for proposed equity dividend	48,777,998	87,254,991
(iii) Provision for tax on proposed dividend	9,930,053	14,828,986
(iv) Provision for Remuneration to Managing Directors	1,400,000	24,800,000
	60,408,051	127,183,977
TOTAL	62,607,486	136,688,388

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 10 : FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 1 st April , 2014	Additions	Deductions / Adjustments	As at 31 st March, 2015	As at 1 st April, 2014	For the year 31 st March, 2015	Deductions / Adjustments	As at 31 st March, 2015	As at 31 st March, 2014
A. TANGIBLE ASSETS									
Free Hold Land	42,090,419 (42,090,419)	-	-	42,090,419 (42,090,419)	-	-	-	42,090,419	42,090,419
Lease Hold Land	475,940 (475,940)	-	-	475,940 (475,940)	182,393 (162,645)	19,748 (19,748)	-	273,799	293,547
Building	82,884,861 (78,573,728)	41,331,215 (4,311,133)	-	124,216,076 (82,884,861)	31,505,017 (29,114,468)	2,487,703 (2,390,549)	-	90,223,356	51,379,844
Plant and Equipments	363,149,291 (333,100,652)	37,870,626 (30,288,639)	15,500 (240,000)	401,004,417 (363,149,291)	154,214,021 (137,965,465)	14,149,009 (16,263,542)	15,500 (14,986)	232,656,887	208,935,270
Furniture and Fixtures	315,878,623 (279,406,818)	36,651,958 (36,471,805)	110,556 (-)	352,420,025 (315,878,623)	102,355,658 (82,739,651)	18,106,824 (19,616,007)	48,909 (-)	232,006,452	213,522,965
Vehicles	34,229,996 (35,612,554)	737,214 (-)	656,057 (1,382,558)	34,311,153 (34,229,996)	19,657,296 (17,376,162)	4,360,840 (2,915,781)	656,057 (634,647)	10,949,074	14,572,700
Office Equipments	73,470,575 (64,681,016)	3,115,734 (8,958,815)	29,626 (169,256)	76,556,683 (73,470,575)	15,863,073 (11,865,806)	3,633,802 (4,001,409)	29,626 (4,142)	57,089,434	57,607,502
Lease hold Improvement	284,302,411 (256,718,632)	35,069,769 (29,738,477)	-	319,372,180 (284,302,411)	101,999,000 (80,951,172)	24,117,067 (22,215,172)	-	193,256,113	182,303,411
Computer	67,701,043 (66,202,860)	3,082,780 (1,498,183)	18,888 (-)	70,764,935 (67,701,043)	44,824,180 (38,509,459)	5,717,571 (6,314,721)	18,888 (-)	20,242,072	22,876,863
Electrical Installation	86,618,177 (80,999,325)	3,800,379 (5,793,982)	-	90,418,556 (86,618,177)	24,932,850 (21,010,928)	3,527,523 (3,975,447)	-	61,958,183	61,685,327
SUB TOTAL - (A)	1,350,801,336 (1,237,861,944)	161,659,675 (117,061,034)	830,627 (4,121,642)	1,511,630,384 (1,350,801,336)	495,533,488 (419,695,756)	76,120,087 (77,712,376)	768,980 (1,874,644)	940,745,789 (495,533,488)	855,267,848
B. INTANGIBLE ASSETS (Acquired)									
Goodwill	15,699,501 (15,699,501)	-	-	15,699,501 (15,699,501)	15,699,501 (15,699,501)	-	-	-	-
Software	31,113,223 (29,839,641)	2,816,424 (1,273,582)	-	33,929,647 (31,113,223)	16,272,267 (12,146,793)	4,373,101 (4,125,474)	-	13,284,279	14,840,956
SUB TOTAL - (B)	46,812,724 (45,539,142)	2,816,424 (1,273,582)	-	49,629,148 (46,812,724)	31,971,768 (27,846,294)	4,373,101 (4,125,474)	- (-)	13,284,279 (31,971,768)	14,840,956
C. CAPITAL WORK IN PROGRESS									
D. INTANGIBLE ASSETS UNDER DEVELOPMENT									
TOTAL (A+B+C+D)	1,397,614,060 (1,283,401,086)	164,476,099 (118,334,616)	830,627 (4,121,642)	1,561,259,532 (1,397,614,060)	527,505,256 (447,542,050)	80,493,188 (81,837,850)	768,980 (1,874,644)	1,011,482,091 (607,229,464)	907,670,886 (527,505,256)
Previous Year									
								47,079,538 10,372,485	32,977,269 4,584,813

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 11 : NON-CURRENT INVESTMENTS		
Non Current Investments [at cost, fully paid up]		
(A) Trade (Unquoted):		
In equity instruments of a subsidiary		
250 Equity Shares of CHF 1,000/- each of		
Zodiac Clothing Company S.A., Switzerland	6,591,000	6,591,000
TOTAL- TRADE (A)	6,591,000	6,591,000
(B) Other Investments		
In equity instruments of subsidiaries (Unquoted)		
2,000,000 Equity Shares of ₹ 10/- each of		
Zodiac Finsec and Holdings Limited	20,000,000	20,000,000
In equity instruments of other entities (Quoted)		
1,713,750 Equity Shares of ₹ 5/-each of Shoppers Stop Ltd.	86,815,750	86,815,750
66 Equity Shares of ₹ 10/- each of Aditya Birla Nuvo Ltd.	84,609	84,609
830 Equity Shares of ₹ 1/- each of Hindalco Industries Ltd.	43,202	43,202
108 Equity Shares of ₹ 1/- each of Coramandel International Ltd.	5,203	5,203
7 Equity Shares of ₹ 10/- each of Exide Industries Ltd.	210	210
In Preference shares of a subsidiary (unquoted)		
2,000,000, (Previous Year : Nil) 8% Cumulative Redeemable		
Preference Shares of ₹ 10/- each of Zodiac Finsec and Holdings		
Limited. The Preference shares are redeemable at par at the end		
of 20 years from the date of acquisition i.e. August 04, 2015	20,000,000	-
In Preference shares of other entities (Quoted)		
1,250,000, 21.06% Cumulative Non Convertible Compulsorily		
Redeemable Preference Shares of ₹ 10/- each in I L & F S		
Transportation Networks Ltd	25,000,000	25,000,000
TOTAL - OTHER INVESTMENTS (B)	151,948,974	131,948,974
TOTAL (A+B)	158,539,974	138,539,974
Aggregate Value of Quoted Investments	111,948,974	111,948,974
Aggregate market value of Listed and Quoted investments	727,113,473	684,322,908
Aggregate Value of Unquoted Investments	46,591,000	26,591,000

NOTE 12 : LONG-TERM LOANS AND ADVANCES

Unsecured, considered good unless otherwise stated

(a) Capital advances	5,533,330	2,934,687
(b) Security deposits (Refer Note Below)	190,301,054	168,781,925
(c) Balances with government authorities		
(i) Sales tax Deposits	12,741,404	4,889,264
(ii) Custom duty receivable	2,119,519	2,595,465
(iii) Service Tax credit receivable	3,490,208	5,341,325
(d) Prepaid expenses	550,655	771,497
(e) Advance income tax (Net of provisions)	93,422,359	116,559,488
TOTAL	308,158,529	301,873,651

Note: Security Deposits includes amount paid to:

(i) Directors

Mr M.Y. Noorani	360,000	130,000
Mr A.Y. Noorani	945,000	425,000
Mr S.Y. Noorani	945,000	425,000

(ii) Firms in which some of the Directors of the company are partners

Metropolitan Trading Company	16,500,000	17,310,000
Munraz Enterprises	1,000,000	1,500,000
Mustang Manufacturing Company	250,000	210,000
(Refer Note 37)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 13 : CURRENT INVESTMENTS (At lower of cost and fair value)		
In units of Mutual Funds (Unquoted):		
Nil (Previous Year: 2,527,297) Units of ₹ 10/- each of Birla Sunlife Dynamic Bond Fund Retail Plan-Dividend	-	25,773,630
Nil (Previous Year: 2,957,371) Units of ₹ 10/- each of IDFC Dynamic Bond Fund-Quarterly dividend (Direct Plan)	-	30,690,400
Nil (Previous Year: 198,558) Units of ₹ 10/- each of IDFC- Money Manager Fund-Treasury Plan-Growth (Direct Plan)	-	4,000,000
Nil (Previous Year: 9,000) Units of ₹ 1000/- each of Pramerica Income Fund-Direct Growth	-	9,000,000
Nil (Previous Year: 6,325) Units of ₹ 1000/- each of Pramerica Liquid Fund Direct Plan-Growth Option	-	8,635,550
Nil (Previous Year: 2,546,748) Units of ₹ 10/-each of Templeton India low duration fund Direct monthly dividend	-	26,669,827
108,713 (Previous Year: Nil) Units of ₹ 100/- each of Birla Sunlife Savings Fund -Growth Regular Plan	29,169,197	-
1,853,905 (Previous Year: Nil) Units of ₹ 10/- each of IDFC Ultra Short Term Fund-Growth (Regular Plan)	36,108,320	-
TOTAL	65,277,517	104,769,407
Aggregate amount of unquoted investments	65,277,517	104,769,407
NOTE 14 : INVENTORIES (At Lower of Cost and Net Realisable Value)		
(a) Raw materials	204,840,347	199,744,558
Goods-in-transit	8,972,124	13,042,498
	213,812,471	212,787,056
(b) Work-in-progress	37,207,789	45,163,079
(c) Finished goods (other than those acquired for trading)	315,089,500	260,905,227
(d) Stock-in-trade (acquired for trading)	93,592,557	90,042,295
(e) Stores and spares	4,993,032	5,437,422
(f) Accessories and Packing Materials	95,723,016	97,392,731
Goods-in-transit	5,882,019	8,058,079
	101,605,035	105,450,810
(g) Chemicals & Furnace oil etc	3,128,045	4,274,576
TOTAL	769,428,429	724,060,465

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 15 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	24,014,657	21,475,848
Doubtful	19,747,199	18,925,026
	<hr/>	<hr/>
	43,761,856	40,400,874
Less: Provision for doubtful trade receivables	19,747,199	18,925,026
	<hr/>	<hr/>
	24,014,657	21,475,848
Other Trade receivables		
Unsecured, considered good	264,735,313	301,748,454
TOTAL	<hr/> 288,749,970 <hr/>	<hr/> 323,224,302 <hr/>

NOTE 16 : CASH AND CASH EQUIVALENTS

(a) Cash on hand	1,109,046	2,877,640
(b) Remittances in Transit	6,350,226	6,301,381
(c) Balances with banks		
(i) In current accounts	20,014,629	17,564,986
(ii) In EEFC accounts	1,363	42
(iii) In deposit accounts (Refer Note below)	600,000	-
(iv) In earmarked accounts		
- Unpaid dividend accounts	1,914,522	1,798,478
TOTAL	<hr/> 29,989,786 <hr/>	<hr/> 28,542,527 <hr/>

Note: Balances with banks include deposits amounting to ₹ 600,000 (As at 31st March, 2014 ₹ Nil) which have an original maturity of more than 12 months.

NOTE 17 : SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good unless otherwise stated

(a) Loans and advances to related parties (Refer Note 37)	158,777,462	165,179,541
(b) Loans and advances to employees		
- Good	9,048,040	5,008,993
- Doubtful	4,115,128	3,115,128
	<hr/>	<hr/>
	13,163,168	8,124,121
Less: Provision for doubtful loans and advances	4,115,128	3,115,128
	<hr/>	<hr/>
	9,048,040	5,008,993
(c) Prepaid expenses	10,843,780	5,456,154
(d) Balances with government authorities		
(i) CENVAT credit receivable	-	3,203,837
(ii) Sales tax Deposits	9,453,415	-
(e) Others		
(i) Advances against goods and services	12,479,655	11,036,714
(ii) Deferred Premium on Forward Contracts	5,522,584	4,910,212
(iii) Export incentive receivable	57,537,599	80,149,383
(iv) Advance Payment to Gratuity Fund	28,488,765	45,498,957
(v) Other balances	3,898,127	8,269,906
	<hr/>	<hr/>
	107,926,730	149,865,172
Doubtful	553,762	553,762
	<hr/>	<hr/>
	108,480,492	150,418,934
Less: Provision for other doubtful loans and advances	553,762	553,762
	<hr/>	<hr/>
	107,926,730	149,865,172
TOTAL	<hr/> 296,049,427 <hr/>	<hr/> 328,713,697 <hr/>

NOTE 18 : OTHER CURRENT ASSETS

Accruals		
- Interest accrued on deposits	8,940	-
TOTAL	<hr/> 8,940 <hr/>	<hr/> - <hr/>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE 19 : REVENUE FROM OPERATIONS		
(a) Sale of products (Refer Note (i) below)	3,076,119,651	3,296,426,423
(b) Other operating revenues (Refer Note (ii) below)	174,019,039	194,138,149
	<u>3,250,138,690</u>	<u>3,490,564,572</u>
Less:		
(c) Excise duty	-	5,487,124
TOTAL	<u>3,250,138,690</u>	<u>3,485,077,448</u>
Notes:		
(i) Sale of products comprises		
Manufactured goods		
Garment & Accessories	2,721,292,433	2,937,549,652
Traded goods		
Garment & Accessories	243,177,522	261,037,124
Fabric *	77,317,905	58,054,482
Accessories	34,331,791	39,785,165
* Includes sale of leftover fabric		
TOTAL	<u>3,076,119,651</u>	<u>3,296,426,423</u>
(ii) Other operating revenues comprise:		
Duty drawback and other export incentives	102,642,790	115,878,126
Recovery of Freight and insurance on sales	53,731,874	61,926,929
Royalty received	12,680,588	12,045,801
Sale of scrap	4,692,797	4,156,356
Commission received	270,990	130,937
TOTAL	<u>174,019,039</u>	<u>194,138,149</u>
NOTE 20 : OTHER INCOME		
(a) Interest income (Refer Note (i) below)	23,752,446	22,962,535
(b) Dividend income:		
from Current Investments		
Mutual Fund	2,207,355	4,355,570
from Non-current Investments		
Subsidiaries	76,505,818	19,578,918
Others	2,001,369	1,289,451
(c) Net gain on sale of:		
Current Investments	11,719,713	6,071,304
(d) Net gain on foreign currency transactions and translation (other than considered as finance cost)	20,518,952	-
(e) Other non-operating income (Refer Note (ii) below)	19,114,667	12,024,424
TOTAL	<u>155,820,320</u>	<u>66,282,202</u>
Notes:		
(i) Interest income comprises:		
Interest on Bank deposit	1,014,676	580,421
Interest on loans and advances	16,655,291	15,664,163
Interest on Income Tax refund	5,771,739	6,167,970
Other interest	310,740	549,981
TOTAL	<u>23,752,446</u>	<u>22,962,535</u>
(ii) Other non-operating income comprises:		
Liabilities / provisions no longer required written back	12,291,749	7,692,513
Profit on sale of fixed asset (Net)	60,728	
Rent Income	1,835,067	550,550
Miscellaneous income	4,927,123	3,781,361
TOTAL	<u>19,114,667</u>	<u>12,024,424</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE 21A : COST OF MATERIALS CONSUMED		
Opening stock	318,237,866	296,823,118
Add: Purchases	1,227,915,089	1,317,448,250
	1,546,152,955	1,614,271,368
Less: Closing stock	315,417,506	318,237,866
TOTAL	1,230,735,449	1,296,033,502
Material consumed comprises:		
Fabric	955,224,376	985,083,058
Yarn	3,953,943	2,371,393
Accessories and Packing Materials	271,557,130	308,579,051
TOTAL	1,230,735,449	1,296,033,502
NOTE 21B PURCHASES OF STOCK IN TRADE		
Garment and Accessories	103,178,767	97,600,554
Fabric	62,450,381	46,767,934
Accessories	38,743,244	36,466,906
TOTAL	204,372,392	180,835,394
NOTE 21C CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods	315,089,500	260,905,227
Stock in Trade	93,592,557	90,042,295
Work-in-progress - Garment and Accessories	37,207,789	45,163,079
	445,889,846	396,110,601
Inventories at the beginning of the year:		
Finished goods	260,905,227	259,867,450
Stock in Trade	90,042,295	98,375,388
Work-in-progress -Garment and Accessories	45,163,079	33,706,876
	396,110,601	391,949,714
NET (INCREASE) / DECREASE	(49,779,245)	(4,160,887)
NOTE 22 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	514,977,583	486,544,158
Contributions to provident and other funds	54,568,001	52,056,829
Staff welfare expenses	7,797,965	7,754,538
TOTAL	577,343,549	546,355,525
NOTE 23 FINANCE COSTS		
(a) Interest expense on:		
(i) Borrowings (Net of Interest reimbursement receivable under TUF scheme ₹ 389,172/-, Previous Year ₹ 92,880/-)	7,951,321	7,730,329
(ii) Others		
- Interest on delayed / deferred payment	399,956	662,419
(b) Amortisation of deferred premium cost	13,780,283	13,261,357
TOTAL	22,131,560	21,654,105

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE 24 : OTHER EXPENSES		
Consumption of stores and spare parts	8,316,680	8,954,181
Excise duty on Finished Goods (Refer Note 44)	-	(5,487,124)
Labour Charges	64,786,110	78,215,409
Consumables for printing/ embroidery/ washing	21,292,247	29,508,057
Power and fuel	25,096,397	28,303,340
Rent including lease rentals (Refer Note 29)	362,355,322	297,743,155
Retail store maintenance expenses	59,146,881	48,051,290
Repairs and maintenance - Buildings	6,031,455	6,565,171
Repairs and maintenance - Machinery	9,128,203	8,703,411
Repairs and maintenance - Others	16,502,166	14,990,777
Insurance	11,171,939	9,085,203
Rates and taxes	17,395,590	12,269,650
Postage and Telephones	19,667,052	20,559,940
Travelling and conveyance	44,916,363	42,741,686
Printing and stationery	3,883,299	4,407,998
Freight and forwarding	118,043,230	104,635,977
Sales commission	88,124,471	107,490,605
Sales discount	19,875,971	41,074,614
Business promotion	172,386,577	152,433,900
Donations and contributions	6,042,154	9,618,407
Legal and professional	24,332,102	16,808,160
Directors' Sitting fees	1,505,624	1,029,453
Electricity	38,918,679	36,326,287
Remuneration to Managing Directors (including Provident Fund)	13,496,000	24,800,000
Security Charges	10,658,907	9,615,552
Trade Mark fees	21,696,459	21,628,458
Payments to auditors (Refer Note below)	2,171,245	2,097,159
Bad and doubtful debts written off	38,879	990,741
Net loss on foreign currency transactions and translation (other than considered as finance cost)	-	41,307,587
Loss on fixed assets sold	-	542,550
Assets discarded written off	-	1,108,959
Net loss on sale of investments	-	13,500
Reduction in the carrying amount of current investments	-	1,221,713
Provision for doubtful trade receivables, and loans and advances	1,822,173	4,792,689
Bank Charges	18,915,291	16,375,141
Miscellaneous expenses	11,780,179	8,596,004
TOTAL	1,219,497,645	1,207,119,600
Note:		
Payments to auditors comprises :		
(i) Statutory Audit		
As auditors	1,825,000	1,675,000
For other services	80,000	90,000
Reimbursement of expenses	27,400	28,735
Service Tax	238,845	218,154
(ii) Cost audit		
As auditors	-	85,270
TOTAL	2,171,245	2,097,159

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25) (i) Contingent Liabilities: -

- a) Guarantee issued by the Banks and counter guaranteed by the Company: ₹ 4,423,116/- (Previous year: ₹ 3,560,494/-).
- b) Foreign letters of Credits opened by Bank and counter guaranteed by the Company: ₹ 33,899,915/- (Previous year: ₹ 26,327,666/-).
- c) Foreign bills / Letters of Credit discounted with Bank: ₹ 5,076,156/- (Previous year ₹ 445,121/-)
- d) Disputed demand not provided for in respect of: -

	Current year ₹	Previous Year ₹
1) Income Tax	52,723,382	90,823,130
2) Sales Tax	4,265,199	11,229,872
3) Apparel Export Promotion Council for non fulfillment of export obligation against duty free imports	424,415	424,415
e) Claims against the Company not acknowledged as debts: ₹ 2,662,300/- (Previous Year ₹ 129,200/-)		
f) Labour disputes not acknowledged as debts: Amount not ascertainable.		

Note:- In respect of items mentioned above, till the matters are finally decided, the financial effect cannot be ascertained.

(ii) Other commitments :-

Contractual arrangement for payment in case of default on corporate credit card facility availed by certain employees from a bank ₹ 4,900,000/- (previous year ₹ 4,900,000/-).

- 26) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 23,419,865/- (Previous Year ₹ 18,827,465/-)
- 27) Micro, Small and Medium enterprises have been identified by the company on the basis of the information available. Total outstanding dues of Micro, Small and Medium enterprises, which are

outstanding for more than the stipulated period are given below.

	Current year ₹	Previous Year ₹
(a) Dues Remaining unpaid as on 31 st March –		
Principal	2,544,564	2,455,209
Interest	1,141,297	752,712
(b) Interest paid in terms of the Act	Nil	Nil
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	388,585	170,228
(d) Amount of interest accrued and remaining unpaid as on 31 st March	1,141,297	752,712
(e) Further interest due and payable even in the succeeding years until such date when the interest due as above are actually paid to the small enterprises	71,593	Nil

- 28) The amount of premium on forward exchange contracts to be recognized in the Statement of Profit and Loss in the next financial year is ₹ 5,522,584/- (Previous Year ₹ 4,910,212/-)

29) Operating Leases: -

A) Premises taken on Lease

- a) The Company has taken various offices / shops under operating lease or leave and licence agreements. These are non-cancelable during a lock in period which ranges between 11 months to 3 years under leave and licence agreements and are renewable by mutual consent on mutually agreeable terms.
- b) Lease Payments recognized in the Statement of Profit and Loss under Rent in Note 24 includes ₹ 362,355,322/- (Previous Year ₹ 297,743,155/-) in respect of premises taken on lease.

- c) The future minimum lease payments under non-cancelable operating lease :
- (i) not later than one year is ₹ 43,342,600/- (Previous Year ₹ 9,594,719);
- (ii) later than one year and not later than five years is ₹ 772,352/- (Previous Year ₹ 1,273,638/-) and
- (iii) Later than five years Nil

B) Premises Given On Lease

- a) The Company has given its premises under operating lease on leave and licence basis. These are cancelable and the period ranges between 11 months to 3 years under leave and licence agreements and renewable by mutual consent on mutually agreed terms.
- b) Lease rentals recognized in the Statement of Profit and Loss as Rent income in Note 20 is ₹ 1,835,067/- (Previous Year ₹ 550,550/-)
- c) Premises given on licence basis:-
- Gross Carrying amount ₹ 6,967,650/- (Previous ₹ 2,322,550/-)
- Accumulated Depreciation ₹ 1,359,488/- (Previous Year ₹ 415,640/-)
- Depreciation for the year ₹ 109,867/- (Previous Year ₹ 37,858/-)

30) Particulars of Raw Material Consumption: -

(Previous year's figures are in brackets)

Class of Goods	Total Value (₹)	Imported	%	Indigenous	%
a) Yarn	3,953,943 (2,371,393)	- (-)	- (-)	3,953,943 (2,371,393)	100 (100)
b) Fabric	955,224,376 (985,083,059)	369,594,899 (302,154,948)	38.69 (30.67)	585,629,477 (682,928,111)	61.31 (69.33)
c) Accessories & Packing Materials	271,557,130 (308,579,050)	132,315,177 (167,887,679)	48.72 (54.41)	139,241,953 (140,691,371)	51.28 (45.59)
TOTAL	1,230,735,449 (1,296,033,502)	501,910,076 (470,042,627)	40.78 (36.27)	728,825,373 (825,990,875)	59.22 (63.73)

31) CIF Value of Imports: -

	Current Year ₹	Previous Year ₹
(i) Raw Materials (includes accessories)	435,697,776	479,317,219
(ii) Stores & Spares	263,514	2,840,647
(iii) Capital Goods	47,656,123	13,944,752
(iv) Traded Goods	64,508,216	63,453,498

32) Value of Stores and Spares Consumption

	Current Year		Previous Year	
	₹	%	₹	%
Imported	139,880	1.68	2,672,125	29.84
Indigenous	8,176,800	98.32	6,282,056	70.16
TOTAL	8,316,680	100	8,954,181	100

33) Expenditure in Foreign Currencies: -

	Current Year	Previous Year
	₹	₹
Sales Promotion	2,448,597	-
Interest on Loans / Bank charges	29,010,404	34,434,310
Travelling Expenses	7,942,617	7,237,596
Rebate, Discount & Commission	58,722,441	107,337,210
Forward Contract Roll over charges	-	1,590,694
Books & Periodicals	458	-

34) Remittance in Foreign Currencies on Account of Dividend:

(Previous year's figures are in brackets)

	No. of Non-Resident Shareholders	No. of Shares held by them	Net Amount of Dividend (₹)
a) Dividend for the year ended 31.03.2014	4	7,082,529	31,871,381
	(4)	(7,024,466)	(14,048,932)
Interim Dividend for the year ended 31.03.2015	4	7,087,806	4,252,683
	(-)	(-)	(-)

b) Except for the above Shareholders, the Company has not made any remittance in foreign currency on account of dividend during the year and does not have information as to the extent to which remittance in foreign currency on account of dividend have been made by or on behalf of non-resident shareholders.

c) The particulars of Non-resident Shareholders and the amount of dividend paid to them are as under: -

(Previous year's figures are in brackets)

	No. of Non- Resident Shareholders including those under (a) above	No. of Shares held by them	Net Amount of Dividend (₹)
Dividend for the year ended 31.03.2014	59	7,115,056	32,017,764
	(69)	(7,073,538)	(14,147,076)
Interim Dividend for the year ended 31.03.2015	57	7,119,727	4,271,836
	(-)	(-)	(-)

35) Earnings in Foreign Currencies:-

	Current Year	Previous Year
	₹	₹
Exports of Goods on FOB basis	1,293,274,801	1,488,542,935
Royalty Income	12,680,588	12,045,801
Others (Freight & Insurance Receipt)	53,731,874	61,926,929

36) Deferred Tax:-

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Deferred Tax Liability on account of:		
(i) Depreciation and Amortisation	61,099,521	52,229,470
(ii) Provision for Retirement Benefit	-	2,486,593
	61,099,521	54,716,063
Deferred Tax Assets on account of:		
(i) Employee benefits disallowed u/s 43B	34,608	812,274
(ii) Provision for Retirement Benefit	4,585,882	-
(iii) Provision for Doubtful Debts & Advances	8,449,920	7,679,672
	13,070,410	8,491,946
Deferred Tax Liabilities (Net)	48,029,111	46,224,117

The Net Deferred tax charge of ₹ 1,804,994/- (Previous year ₹ 8,253,981/-) for the year has been recognized in the Statement of Profit and Loss.

37) Related Party Disclosures: -

Related party disclosures as required by (AS-18) "Related Party Disclosures" are given below:

I) Relationships: -**a) Subsidiary Companies (including sub-subsidiaries): -**

Zodiac Finsec and Holdings Ltd
Zodiac Clothing Company S. A.
Zodiac Clothing Co (U.A.E.) LLC.
Zodiac Clothing Company INC
Zodiac Properties Ltd U.A.E.

b) Key Management Personnel: -

Mr. M. Y. Noorani -- Chairman
Mr. A. Y. Noorani -- Vice Chairman and Managing Director
Mr. S. Y. Noorani -- Managing Director and President

c) Other Related Parties:-**i. The enterprises where control of key management personnel and / or their relatives exist and with whom the transactions have taken place:**

Zodiac Metropolitan Clothing Gmbh
Asia Tangible Investments Pte. Ltd.
Metropolitan Trading Company
Montage Corporation
Munraz Enterprises
Mustang Manufacturing Company
Mashal Enterprises
Euro Global Holdings Pte Ltd
Onward LLC
Miraj Marketing Company LLP

ii. Relatives of key management personnel with whom the transactions have taken place :

Mr. Awais A. Noorani
Mr. Musaed A. Noorani
Mrs. Muna A. Noorani
Mrs. Zehra S.Noorani
Mrs. Saniyya A.Noorani

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

II) The following transactions were carried out with the related parties in the ordinary course of business.

(Previous year's figures are in brackets)

Particulars	Subsidiaries ₹	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Sale of Goods				
Mashal Enterprises	-	-	6,916,651	6,916,651
	(-)	(-)	(6,449,383)	(6,449,383)
Zodiac Clothing Co (U.A.E.) LLC	111,643,304	-	-	111,643,304
	(91,850,471)	(-)	(-)	(91,850,471)
Zodiac Metropolitan Clothing Gmbh	-	-	194,016,773	194,016,773
	(-)	(-)	(163,949,642)	(163,949,642)
Onward LLC	-	-	190,142,057	190,142,057
	(-)	(-)	(129,382,911)	(129,382,911)
Interest Income				
Zodiac Finsec and Holdings Ltd	16,655,291	-	-	16,655,291
	(15,664,163)	(-)	(-)	(15,664,163)
Royalty Income				
Zodiac Clothing Co (U.A.E.) LLC	12,680,588	-	-	12,680,588
	(12,045,801)	(-)	(-)	(12,045,801)
Rent Income				
Metropolitan Trading Company	-	-	850,000	850,000
	(-)	(-)	(-)	(-)
Dividend Income				
Zodiac Finsec and Holdings Ltd	11,122,192	-	-	11,122,192
	(-)	(-)	(-)	(-)
Zodiac Clothing Company S.A	65,383,626	-	-	65,383,626
	(19,578,918)	(-)	(-)	(19,578,918)
Trade Mark fees Expense				
Metropolitan Trading Company	-	-	21,696,459	21,696,459
	(-)	(-)	(21,628,458)	(21,628,458)
Rent Expense				
Metropolitan Trading Company	-	-	24,737,347	24,737,347
	(-)	(-)	(9,662,073)	(9,662,073)
Mustang Manufacturing Company	-	-	708,000	708,000
	(-)	(-)	(207,600)	(207,600)
Munraz Enterprises	-	-	2,168,544	2,168,544
	(-)	(-)	(388,800)	(388,800)
Montage Corporation	-	-	72,000	72,000
	(-)	(-)	(70,824)	(70,824)
Miraj Marketing Company LLP	-	-	1,213,488	1,213,488
	(-)	(-)	(1,213,488)	(1,213,488)
Mr. A.Y. Noorani	-	2,046,079	-	2,046,079
	(-)	(473,700)	(-)	(473,700)
Mr. S.Y. Noorani	-	2,046,079	-	2,046,079
	(-)	(473,700)	(-)	(473,700)
Mr. M.Y. Noorani	-	678,000	-	678,000
	(-)	(133,056)	(-)	(133,056)
Zodiac Finsec and Holdings Ltd	54,142,464	-	-	54,142,464
	(54,142,464)	(-)	(-)	(54,142,464)

Particulars	Subsidiaries ₹	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Salary Paid				
Mr. Awais A. Noorani	- (-)	- (-)	5,264,962 (6,467,524)	5,264,962 (6,467,524)
Expenses Recovered				
Mashal Enterprises	- (-)	- (-)	707,191 (842,190)	707,191 (842,190)
Zodiac Finsec and Holdings Ltd	47,936 (58,884)	- (-)	- (-)	47,936 (58,884)
Zodiac Metropolitan Clothing Gmbh	- (-)	- (-)	- (9,133)	- (9,133)
Metropolitan Trading Company	- (-)	- (-)	54,826 (1,452,114)	54,826 (1,452,114)
Munraz Enterprises	- (-)	- (-)	- (2,500)	- (2,500)
Zodiac Clothing Co (U.A.E.) LLC	1,673,866 (1,337,185)	- (-)	- (-)	1,673,866 (1,337,185)
Recovery of Freight and Insurance on Sales				
Zodiac Clothing Co (U.A.E.) LLC	4,138,880 (2,493,545)	- (-)	- (-)	4,138,880 (2,493,545)
Zodiac Metropolitan Clothing Gmbh	- (-)	- (-)	15,275,441 (12,149,311)	15,275,441 (12,149,311)
Onward LLC	- (-)	- (-)	3,119,514 (3,933,258)	3,119,514 (3,933,258)
Expenses Reimbursed				
Mashal Enterprises	- (-)	- (-)	15,874 (147,294)	15,874 (147,294)
Munraz Enterprises	- (-)	- (-)	401,466 (385,148)	401,466 (385,148)
Montage Corporation	- (-)	- (-)	- (19,081)	- (19,081)
Zodiac Clothing Co (U.A.E.) LLC	681,097 (1,205,196)	- (-)	- (-)	681,097 (1,205,196)
Zodiac Finsec and Holdings Ltd	1,516,215 (2,404,052)	- (-)	- (-)	1,516,215 (2,404,052)
Security Deposits given during the year				
Mustang Manufacturing Company	- (-)	- (-)	40,000 (-)	40,000 (-)
Mr. M.Y. Noorani	- (-)	230,000 (-)	- (-)	230,000 (-)
Mr. A.Y. Noorani	- (-)	520,000 (-)	- (-)	520,000 (-)
Mr. S.Y. Noorani	- (-)	520,000 (-)	- (-)	520,000 (-)
Security Deposits repaid during the year				
Metropolitan Trading Company	- (-)	- (-)	810,000 (-)	810,000 (-)

Particulars	Subsidiaries ₹	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Munraz Enterprises	- (-)	- (-)	500,000 (-)	500,000 (-)
Investment made during the year Zodiac Finsec and Holdings Ltd	20,000,000 (-)	- (-)	- (-)	20,000,000 (-)
Loans/Advances repaid by Zodiac Finsec and Holdings Ltd	6,000,000 (6,000,000)	- (-)	- (-)	6,000,000 (6,000,000)
Dividend Paid during the year (including Interim Dividend)				
Miraj Marketing Company LLP	- (-)	- (-)	11,820,444 (4,635,468)	11,820,444 (4,635,468)
Asia Tangible Investments Pte. Ltd.	- (-)	- (-)	16,089,898 (6,309,764)	16,089,898 (6,309,764)
Euro Global Holdings Pte Ltd	- (-)	- (-)	16,089,898 (6,309,764)	16,089,898 (6,309,764)
Mr. M.Y. Noorani	- (-)	13,353,014 (5,137,890)	- (-)	13,353,014 (5,137,890)
Mr. A.Y. Noorani	- (-)	122,732 (38,130)	- (-)	122,732 (38,130)
Mr. S.Y. Noorani	- (-)	68,003 (16,668)	- (-)	68,003 (16,668)
Mr. Awais A. Noorani	- (-)	- (-)	383 (150)	383 (150)
Mr. Musaed A. Noorani	- (-)	- (-)	383 (150)	383 (150)
Mrs Saniyya A. Noorani	- (-)	- (-)	383 (150)	383 (150)
Mrs. Muna A. Noorani	- (-)	- (-)	383 (150)	383 (150)
Mrs. Zehra S. Noorani	- (-)	- (-)	1,827 (714)	1,827 (714)
Commission Expense Zodiac Metropolitan Clothing Gmbh	- (-)	- (-)	17,377,459 (13,100,599)	17,377,459 (13,100,599)
Remuneration (including Provident Fund)				
Mr. A.Y. Noorani	- (-)	6,748,000 (12,400,000)	- (-)	6,748,000 (12,400,000)
Mr. S.Y. Noorani	- (-)	6,748,000 (12,400,000)	- (-)	6,748,000 (12,400,000)
Export Claims Zodiac Metropolitan Clothing Gmbh	- (-)	- (-)	- (9,079,507)	- (9,079,507)
Outstanding amount receivable Zodiac Finsec and Holdings Ltd -- Loans and Advances	15,877,462 (164,906,824)	- (-)	- (-)	15,877,462 (164,906,824)

Particulars	Subsidiaries ₹	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Munraz Enterpries	-	-	1,000,000	1,000,000
	(-)	(-)	(1,500,000)	(1,500,000)
Zodiac Metropolitan Clothing Gmbh	-	-	7,468,463	7,468,463
	(-)	(-)	(8,413,034)	(8,413,034)
Onward LLC	-	-	13,864,775	13,864,775
	(-)	(-)	(8,904,871)	(8,904,871)
Zodiac Clothing Co (U.A.E.) LLC	9,048,348	-	-	9,048,348
	(6,272,554)	(-)	(-)	(6,272,554)
Metropolitan Trading Company	-	-	16,500,000	16,500,000
	(-)	(-)	(17,310,000)	(17,310,000)
Mr. A.Y. Noorani	-	945,000	-	945,000
	(-)	(425,000)	(-)	(425,000)
Mr. S.Y. Noorani	-	945,000	-	945,000
	(-)	(425,000)	(-)	(425,000)
Mr. M.Y. Noorani	-	360,000	-	360,000
	(-)	(130,000)	(-)	(130,000)
Mustang Manufacturing Co	-	-	250,000	250,000
	(-)	(-)	(210,000)	(210,000)
Mashal Enterprises	-	-	-	-
	(-)	(-)	(137,894)	(137,894)
Outstanding amount payable				
Mashal Enterprises	-	-	107,016	107,016
	(-)	(-)	(-)	(-)
Metropolitan Trading Company	-	-	613,315	613,315
	(-)	(-)	(836,948)	(836,948)
Zodiac Metropolitan Clothing Gmbh	-	-	5,001,472	5,001,472
	(-)	(-)	(11,994,615)	(11,994,615)
Mr. A.Y. Noorani	-	1,220,000	-	1,220,000
	(-)	(12,400,000)	(-)	(12,400,000)
Mr. S.Y. Noorani	-	1,220,000	-	1,220,000
	(-)	(12,400,000)	(-)	(12,400,000)
Mr. M.Y. Noorani	-	230,000	-	230,000
	(-)	(-)	(-)	(-)

38) Segment Information: -

Business Segment

The Company is exclusively engaged in the business of Clothing and clothing accessories. This in the context of Accounting Standard (AS 17) "Segment Reporting", constitutes single primary segment.

Geographical Segment is identified as secondary segment and details are as given below: -

Particulars	Current Year (₹)			Previous Year (₹)		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue (Net)	1,890,451,427	1,359,687,263	3,250,138,690	1,922,561,783	1,562,515,665	3,485,077,448

Carrying Cost of Segment Asset	2,756,844,789	170,839,874	2,927,684,663	2,641,988,395	215,406,514	2,857,394,909
Capital Expenditure	186,964,681	-	186,964,681	111,295,704	-	111,295,704

Note: There are no inter segment revenues.

39) Derivative Financial Instruments

- a) The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts and out of the money option contracts to manage its exposure in foreign exchange rates. The counter parties are banks. These contracts are for a period between one day and twelve months.

- (i) The following are outstanding Foreign Exchange Forward and Option contracts as on March 31, 2015.

Sr No	Currency	Buy / Sell	Cross Currency	Nature of Contracts	Amount in foreign currency	
					Current Year	Previous Year
1	USD	SELL	INR	Forwards	1,509,000	3,564,231
2	GBP	SELL	USD	Forwards	-	268,000
3	GBP	SELL	INR	Forwards	421,000	181,000
4	EURO	SELL	INR	Forwards	112,000	100,000
5	EURO	SELL	USD	Forwards	-	291,000
6	CHF	SELL	INR	Forwards	21,000	-
7	USD	BUY	INR	Forwards	2,905,777	2,025,777
8	USD	SELL	INR	Option	3,50,000	1,100,000

- (ii) Net Gain on derivative instruments, which have been designated as cash flow hedges, of ₹ 2,160,418 /- (Previous Year Net Gain of ₹ 7,228,017 /-) recognized in Hedging Reserve as of March 31, 2015, is expected to be reclassified to the Statement of Profit and Loss as and when the same will mature.
- (iii) Net Loss on non derivative financial liabilities in the form of preshipment export credit in foreign currency (PCFC) borrowings of ₹ 4,139/- (previous year Net Gain of ₹ 8,407,072 /-) recognized in the Hedging Reserve as of March 31, 2015 is expected to be reclassified to the Statement of Profit and Loss as and when the highly probable sales takes place.
- (iv) Exchange Gain of ₹ 20,518,952/- (Previous Year Exchange Loss ₹ 41,307,587/-) has been recognised in the Statement of Profit and Loss for the year ended March 31, 2015
- b) (i) No derivative instruments are acquired for speculation purposes.
- (ii) Foreign currency exposures that are not hedged by derivative instruments or otherwise are ₹ 45,621,039/- (Previous Year ₹ 31,103,927/-) as given below:

Particulars	Current Year		Previous Year	
	Foreign Currency	Rupees	Foreign Currency	Rupees
Creditors for	USD 719,253	44,953,449	USD 513,548	30,769,252
Goods and expenses	EURO 8,700	584,587	EURO 4,048	334,675
	GBP 767	70,937		
	HKD 1,490	12,066		

40) Earnings Per Share: -

Particulars	As at 31.03.2015	As at 31.03.2014
(a) Face value per share (₹)	10	10
(b) Weighted Average No of Shares		
(i) For basic EPS	19,423,375	19,389,998
(ii) For Diluted EPS	19,494,295	19,389,998
(c) Net Profit for the year attributable to equity shareholders (₹)	94,959,478	149,265,835
(d) Basic Earnings Per Share (₹) (c/b(i))	4.89	7.70
(e) Diluted Earnings Per Share (₹) (c/b(ii))	4.87	7.70

Note

Weighted average number of shares outstanding during the year- for Diluted EPS:

	Current Year Numbers	Previous Year Numbers
Weighted average number of shares outstanding during the year – for calculating basic EPS (numbers)	19,423,375	19,389,998
Add: Potential equity shares that could arise on Exercise of Employee Stock Option	70,920	-
	19,494,295	19,389,998

- 41) Under the Zodiac Clothing Company Limited Employees Stock Option Plan 2006 the Company had granted 864,000 (adjusted for bonus issue) options to its eligible employees in two Grants up to the year ended March 31, 2015, the details are as follows:

(a) Employees Stock Option Scheme:

Particulars	Grant I	Grant II
Nos. of Options Granted (After considering impact of Bonus issued on 28 th September, 2011)	462,975	401,025
Method of Accounting	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting	Graded Vesting
1st year	30%	30%
2nd year	30%	30%
3rd year	40%	40%
Exercise Period	3 Years from the date of Vesting	3 Years from the date of Vesting
Grant Date	27.12.06	20.01.11
Grant Price (₹ per share)	255.40	346.00
Market Price on the date of Grant of Option (₹)	255.40	346.00
Discount on Average Price	Nil	Nil

(b) Movement of Options Granted:

Particulars	Grant I	Grant II
Outstanding at the beginning of the year	Nil	349,575
Granted during the year	Nil	Nil
Exercised during the year*	Nil	121,201
Cancelled / Lapsed during the year	Nil	23,048
Forfeited during the year	Nil	Nil
Outstanding at the end of the year	Nil	205,326

* (Options outstanding is adjusted for rounding off effect due to bonus options granted to employees for bonus declared on 28th September 2011)

(c) Employees Stock Option Scheme:

Particulars	Grant I	Grant II
Exercisable at the beginning of the year	Nil	349,575
Vested during the year	Nil	Nil
Exercised during the year*	Nil	121,201
Cancelled / Lapsed during the year	Nil	23,048
Options exercisable at the end of the year	Nil	205,326

* (Options outstanding is adjusted for rounding off effect due to bonus options granted to employees for bonus declared on 28th September 2011)

- (d) The Company has followed the intrinsic value-based method of accounting for stock options granted based on Guidance Note on Accounting for Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 Issued by Securities and Exchange Board of India (SEBI). As the exercise price of the option granted is based on the market price as on the date of the Grant, the intrinsic value of the option is Nil.

(e) Fair Valuation:

The fair value of options used to compute proforma net income and earnings per equity share have been done by an independent firm of Valuers on the date of grant using the Black-Scholes Model.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant are:

	Grant 1	Grant 2
1 Risk Free Rate	Year 1 - 7.67 % Year 2 - 7.62 % Year 3 - 7.59 %	Year 1 - 8.10 % Year 2 - 8.10 % Year 3 - 8.10 %
2 Option Life	Year 1 - 2.5yrs Year 2 - 3.5yrs Year 3 - 4.5yrs	Year 1 - 2.5yrs Year 2 - 3.5yrs Year 3 - 4.5yrs
3 Expected Volatility	Year 1 - 45.22 % Year 2 - 50.51 % Year 3 - 51.13 %	Year 1 - 50.58 % Year 2 - 61.45 % Year 3 - 56.05 %
4 Expected Dividend Yield	2.49%	1.96%
5 The weighted average fair value of the option, as on the date of grant, works out to	₹ 102.68	₹ 150.44

Had the compensation cost for the stock options granted under ESOS 2006 been determined, based on fair-value approach, the Company 's net profit and earnings per share would have been as per the perform amounts indicated below :

Particulars	2014-15	2013-14
Net Profit After Tax (As Reported)	94,959,478	149,265,835
Add: Compensation Expenses under ESOS included in the Net Profit	Nil	Nil
Less: Compensation Expenses under ESOS as per Fair Value	2,311,469	2,033,201
Net Profit After Tax (Fair value basis)	92,648,009	147,232,634
Basic Earning Per Share (Reported) - ₹ / Share	4.89	7.70
Basic Earning Per Share (Fair value basis)- ₹ / Share	4.77	7.59
Diluted Earning Per Share (Reported) - ₹ / Share	4.87	7.70
Diluted Earning Per Share (Fair value basis) – ₹ / Share	4.75	7.59

42) Disclosure as per Clause 32 of the Listing Agreement:-

Loans and advances in the nature of Loans given to Subsidiaries : -

Name of the Company	Relationship	Amount outstanding as on 31.03.2015 (₹)	Maximum amount outstanding during the year (₹)	Investment in shares of the Company (No. of Shares)
Zodiac Finsec and Holdings Ltd.	Wholly owned Subsidiary	159,139,758	165,139,758	Nil

Notes: (a) Loans and Advances to employees and investment by such employees in the shares of the company, if any are excluded from the above disclosure.

(b) In respect of the above loans there is no repayment schedule and they are repayable on demand.

43) (I) Disclosure in respect of gratuity liability

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Change in obligations		
Present value of funded benefit obligations as at 1 st April, 2014	66,947,241	69,290,499
Current Service Cost	7,010,275	7,866,990
Interest Cost	6,232,788	5,543,240
Benefit Paid	(10,634,695)	(11,600,614)
Actuarial (gain) / loss on obligations	14,260,057	(4,152,874)
Present value of funded benefit obligations as at March 31, 2015	83,815,666	66,947,241
Reconciliation of present value of the fair value of the plan assets		
Fair value of plan assets as at 1 st April, 2014	112,446,198	97,098,734
Expected Return on plan assets	10,468,741	8,447,590
Contributions	714,230	17,925,833
Benefits Paid	(10,634,695)	(11,600,614)
Actuarial gain / (loss) on plan assets	(690,043)	574,655
Fair value of plan assets as at March 31, 2015	112,304,431	112,446,198
Total Actuarial gain / (loss) recognized	(14,950,100)	4,727,529
Amount Recognised in Balance Sheet		
Present value of obligation	83,815,666	66,947,241
Fair value of plan assets	112,304,431	112,446,198
Liability / (assets)	(28,488,765)	(45,498,957)
Liability / (assets) recognized in the Balance Sheet	(28,488,765)	(45,498,957)
Expenses Recognised in Statement of Profit and Loss		
Current Service Cost	7,010,275	7,866,990
Interest Cost	6,232,788	5,543,240
Expected Return on plan assets	(10,468,741)	(8,447,590)
Net Actuarial (gain) / loss recognised in the current year	14,950,100	(4,727,529)
Past Service Cost	-	-
Expenses Recognised in the Statement of Profit and Loss	17,724,422	235,111
Actuarial assumptions used		
Discount rate	7.96%	9.31%
Expected Return on plan assets	7.96%	9.31%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Future Salary increase	5.00%	5.00%
Attrition	2%	2%
Retirement	60 yrs	60 yrs
Category of Assets		
Insurer Managed Funds	112,304,432	112,446,198

Notes:

- Premium is paid to LIC under Group Gratuity Scheme of LIC.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The details of experience adjustments on account of Plan Liability and Plan Asset as required by Para 120 (n) (ii) of AS-15 are as under:

Particulars	2014-15 ₹	2013-14 ₹	2012-13 ₹	2011-12 ₹	2010-11 ₹
Plan Assets	690,043	574,655	1,478,137	1,044,844	949,368
Plan Liabilities	4,233,218	3,866,683	1,188,369	3,684,679	492,152

- iv. Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date: ₹ 20,000,000/- (Previous Year ₹ 12,500,000/-).
- v. The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risks of asset management and historical result of the return on plan asset.

(II) Disclosure in respect of leave encashment liability:

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for leave encashment is given below:	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Change in obligations		
Present value of unfunded benefit obligations as at 1 st April, 2014	11,484,339	11,913,814
Current Service Cost	2,173,278	2,414,400
Interest Cost	1,069,192	953,105
Benefit Paid	(2,508,193)	(2,463,717)
Actuarial (gain)/loss on obligations	1,898,860	(1,333,763)
Present value of unfunded benefit obligations as at March 31, 2015	14,166,570	11,484,339
Amount Recognised in Balance Sheet		
Present value of obligation	14,166,570	11,484,339
Fair value of plan assets	NIL	NIL
Liability/(assets) recognized in the Balance Sheet	14,166,570	11,484,339
Expenses Recognised in Statement of Profit and Loss		
Current Service Cost	2,173,278	2,414,400
Interest Cost	1,069,192	953,105
Expected Return on plan assets	Nil	Nil
Net Actuarial (gain)/loss recognised in the current year	1,947,954	(1,333,763)
Expenses Recognised in the Statement of Profit and Loss	5,190,424	2,033,742
Actuarial assumptions used		
Discount rate	7.96%	9.31%
Expected Return on plan assets	NA	NA
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Future Salary increase	5%	5%
Attrition	2%	2%
Retirement	60 yrs	60 yrs

- (III)** The Company makes provident fund contributions to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the salary to fund the benefits. Amount recognized as an expense in the statement of profit and loss in respect of defined contribution plan is ₹ 44,480,269 /- (Previous Year ₹ 40,959,338/-)

- 44) Excise duty recovered on sales is included in 'Revenue from Operations'. Excise duty in respect of Finished Goods lying in stocks is shown separately as an item of expense and included in valuation of finished goods produced.
- 45) (a) Gross amount required to be spent by the company during the year for Corporate Social Responsibility (CSR) :- ₹ 2,698,806
- (b) Following are the details of amount spent during the year for CSR :-

Particulars	In cash (₹)	Yet to be paid in cash (₹)	Total (₹)
(i) Construction/acquisition of any asset	NIL	NIL	NIL
(ii) On purposes other than (i) above	2,700,000	NIL	2,700,000

- 46) Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/disclosures.

ZODIAC
FINEST QUALITY SHIRTMAKERS

Mercerized Two Ply Cotton

Roreto

ZODIAC

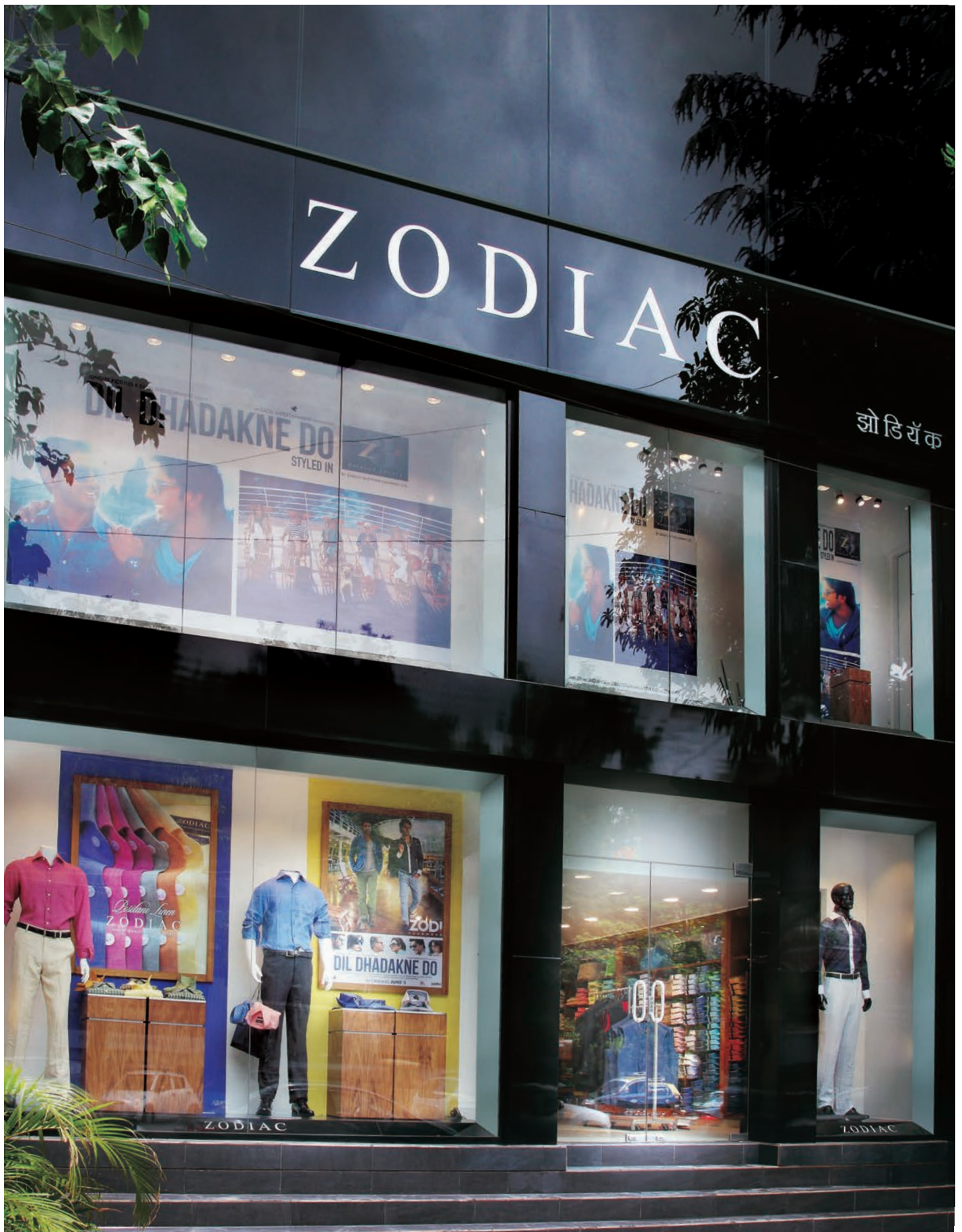
FINEST QUALITY SHIRTMAKERS

ZODIAC

FINEST QUALITY SHIRTMAKERS

100% Ply Cotton

Barolo
ZODIAC
FINEST QUALITY SHIRTMAKERS



Linking Road, Khar - Mumbai



Phoenix - Bareilly



Forum Mall - Bangalore

A man with a beard and sunglasses is wearing a black long-sleeved shirt with a red and white polka-dot inner lining. He is holding a violin and a bow. On his left wrist, he wears a watch with a black face and a red strap. The background is a dark, geometric pattern.

ZOD!
C L U B W E A R

STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013

Name of the Subsidiary Company	Zodiac Finsec and Holdings Ltd.	Zodiac Clothing Co. S.A.	Zodiac Clothing Co. (UAE) LLC	Zodiac Clothing Co. Inc	Zodiac Properties Ltd
Financial year ending	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015
Shares of the subsidiary held by the company on the above date					
(a) Number and Face value	2,000,000 Eq. Shares of ₹ 10/- each fully paid up 200,000 8% Cumulative Redeemable Pref. Shares of ₹ 100/- each fully paid up	250 Shares of SFR 1000/- each fully paid up	300 Shares of AED 1000/- each fully paid up	10,000 Shares of USD 1/- each fully paid up	10 Shares of GBP 1,000/- each fully paid up
(b) Extent of holding	100%	100%	100%	100%	100%
Net aggregate amount of profit/ (Loss) of the subsidiary for the above financial year so far as they concern members of the company :	₹ 40,880,101	CHF 968,804	AED 1,992,129	USD 2,081	GBP (45,443)
(a) dealt within the accounts of the company for the year ended 31 st March, 2015	₹ 1,122,192 on Pref. Shares ₹ 10,000,000 on Eq. Shares Total ₹ 11,122,192	CHF 968,804	AED 1,992,129	NIL	NIL
(b) not dealt within the accounts of the company for the year ended 31 st March, 2015	₹ 29,757,909	NIL	NIL	USD 2,081	GBP (45,443)
Net aggregate amount of profit for previous Financial years of the subsidiary, since it became subsidiary so far as they concern members of the company	₹ 287,734,683	CHF 3,551,941	AED 46,160,240	USD (5,850)	GBP (424,946)
(a) dealt within the accounts of the company for the year ended 31 st March 2015	₹ 51,122,192	CHF 2,200,000	AED 12,615,002	NIL	NIL
(b) not dealt within the accounts of the company for the year ended 31 st March, 2015	₹ 236,612,491	CHF 1,351,941	AED 33,545,238	USD (5,850)	GBP (424,946)

For and on behalf of the Board of Directors
M. Y. NOORANI
Chairman
A. Y. NOORANI
Vice Chairman & Managing Director
ANEEL SARAFF
Chief Financial Officer
KUMAR IYER
Company Secretary

Place: Mumbai
Date : 27th May, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ZODIAC CLOTHING COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included

in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of five subsidiaries whose financial statements reflect total

assets of ₹ 1,246,453,591/- as at March 31, 2015, total revenues of ₹ 820,984,740/- and net cash outflows amounting to ₹ 26,429,075/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding company and Zodiac Finsec and Holdings Limited, incorporated in India (hereinafter referred to as "Indian Subsidiary"), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Order is not applicable to four subsidiaries since they are incorporated outside India and not having any place of business or any business activity in India.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of the Indian Subsidiary, none of the directors of the Holding Company and the Indian Subsidiary are disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act. Since the other Subsidiary companies are incorporated outside India, the provisions of section 164(2) of the Act are not applicable.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 26 (i) to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including long term derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Indian Subsidiary. Since the other Subsidiary Companies are incorporated outside India, the requirement of transferring any amount to the Investor Education and Protection Fund by those Subsidiary companies does not arise.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Laxminarayan
(Partner)
Place : MUMBAI,
Dated : 27th May, 2015 (Membership No. 33023)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Zodiac Clothing Company Limited on the Consolidated Financial Statements for the year ended March 31, 2015)

Our reporting on the Order includes one Indian Subsidiary ("Zodiac Finsec and Holdings Limited") incorporated in India, to which the Order is applicable, which has been audited by other auditor and our report in respect of this entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

(i) In respect of fixed assets:

- a) The Holding Company and the Indian Subsidiary have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified during the year by the Management of the Holding Company and Indian Subsidiary in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditor, no material discrepancies were noticed on such verification.

(ii) In respect of inventories of Holding Company:

- a) As explained to us, the inventories were physically verified during the year by the Management of the Holding Company at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

In respect of the Indian Subsidiary there are no inventories, hence clause (ii) of paragraph 3 of the Order, is not applicable to the Indian Subsidiary.

(iii) According to the information and explanations given to us, the Holding Company in an earlier year granted unsecured loans, to a company, covered in the Register maintained under Section 189 of the Companies Act 2013. In respect of such loans:

- a) In the absence of stipulations, the regularity of the receipt of principal amount has not been commented upon, but it is repayable on demand. The receipts of interest have been regular as per stipulation.
- b) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.

According to the information and explanations given to other auditor, the Indian Subsidiary, has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Hence clause (iii) of paragraph 3 of the Order, is not applicable to the Indian Subsidiary.

- (iv) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, there is an adequate internal control system in the Holding Company and the Indian Subsidiary commensurate with the size of the respective entities and the nature of their businesses with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our and the other auditor's audit, no major weakness in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Holding Company and the Indian Subsidiary have not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the Holding Company and the Indian Subsidiary.
- (vi) According to the information and explanations given to us and the other auditor, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act to the Holding Company and the Indian Subsidiary. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Holding Company and the Indian Subsidiary.
- (vii) According to the information and explanations given to us and other auditor:
 - a) The Holding Company and the Indian Subsidiary have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to them with the appropriate authorities.

- b) According to the information and explanations given to us and other auditor, there were no undisputed amounts payable by the Holding Company and the Indian Subsidiary in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- c) As at March 31, 2015, the following are the particulars of dues of the Holding Company and the Indian Subsidiary on account of income tax and sales tax that have not been deposited on account of any dispute:

Holding Company –

Name of Statute	Nature of Dues	Forum where dispute is pending	Amount (in ₹)	Period to which the amount related
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Mumbai	782,443	A.Y. 2001-02
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax (TDS), Mumbai	159,653	A.Y. 2006-07
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax (TDS), Mumbai	70,269	A.Y. 2007-08
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax (TDS), Mumbai	265,686	A.Y. 2008-09
The Kerala General Sales Tax Act, 1963	Sales Tax	Deputy Commissioner (Appeals) of Commercial Taxes, Ernakulam	190,369	F.Y. 2001-02
The Kerala General Sales Tax Act, 1963	Sales Tax	Deputy Commissioner (Appeals) of Commercial Taxes, Ernakulam	214,569	F.Y. 2002-03
The West Bengal Sales Tax Act, 1994	Sales Tax and Penalty	Assistant Commissioner of Commercial Taxes, Kolkata	689,936	F.Y. 2002-03
The West Bengal Sales Tax Act, 1994	Sales Tax and Penalty	Assistant commissioner of Commercial Taxes, Kolkata	95,105	F.Y. 2003-04
The Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	Assistant Commissioner of Commercial Taxes, Kolkata	604,159	F.Y. 2002-03
The Central Sales Tax Act, 1956	Sales Tax and Penalty	Assistant Commissioner of Commercial Taxes, Kolkata	709,091	F.Y. 2003-04
The Bombay Sales Tax Act, 1959	Sales Tax, Interest and Penalty	Joint Commissioner of Sales Tax Appeal (II), Mumbai	1,138,300	F.Y. 2002-03

Indian Subsidiary –

Name of Statute	Nature of Dues	Forum where dispute is pending	Amount (in ₹)	Period to which the amount related
Income Tax Act, 1961	Assessment Dues	Asst. Comm. Of I. Tax	13,30,872/-	A.Y.2006-07
Income Tax Act, 1961	Assessment Dues	Income Tax Appellate Tribunal, Mumbai	3,505,838/-	A.Y.2010-11
Income Tax Act, 1961	Assessment Dues	Commissioner of Income Tax Appeals, Mumbai	5,109,090/-	A.Y.2011-12
Income Tax Act, 1961	Assessment Dues	Commissioner of Income Tax Appeals, Mumbai	1,24,33,930/-	A.Y.2012-13

- d) The Holding Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Indian Subsidiary in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in the repayment of dues to banks. The Holding company has not borrowed from any financial institution or issued any debenture. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Indian Subsidiary has not borrowed from any bank or financial institution or issued any debenture.
- (x) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Holding Company and the Indian Subsidiary have not given guarantees for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Indian Subsidiary has not taken any term loan during the year.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditor, no fraud by the Holding Company and the Indian Subsidiary and no material fraud on the Holding Company and the Indian Subsidiary have been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Laxminarayan
(Partner)
Place : MUMBAI,
Dated : 27th May, 2015 (Membership No. 33023)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
A EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	195,111,990	193,899,980
(b) Reserves and surplus	3	2,478,749,106	2,408,997,783
		2,673,861,096	2,602,897,763
2. Non-current liabilities			
(a) Long-term borrowings	4	73,497,341	64,685,132
(b) Deferred tax liabilities (net)	30	48,039,599	46,234,547
(c) Long-term provisions	5	23,434,577	24,031,930
		144,971,517	134,951,609
3. Current liabilities			
(a) Short-term borrowings	6	494,911,445	418,007,940
(b) Trade payables	7	375,500,752	405,924,144
(c) Other current liabilities	8	193,206,537	182,303,833
(d) Short-term provisions	9	76,729,681	144,968,961
		1,140,348,415	1,151,204,878
TOTAL		3,959,181,028	3,889,054,250
B ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10A	1,299,352,989	1,208,139,587
(ii) Intangible assets	10B	13,284,280	21,123,623
(iii) Capital work-in-progress	10C	47,482,581	33,750,006
(iv) Intangible assets under development	10D	10,372,485	4,584,812
		1,370,492,335	1,267,598,028
(b) Non-current investments	11	416,568,733	394,044,881
(c) Long-term loans and advances	12	334,415,193	321,775,443
(d) Other non-current assets	13	544,371	533,199
		2,122,020,632	1,983,951,551
2. Current assets			
(a) Current investments	14	68,077,517	105,684,531
(b) Inventories	15	818,890,382	773,369,901
(c) Trade receivables	16	427,215,877	417,554,729
(d) Cash and cash equivalents	17	251,300,168	276,281,984
(e) Short-term loans and advances	18	271,667,512	332,180,863
(f) Other current assets	19	8,940	30,691
		1,837,160,396	1,905,102,699
TOTAL		3,959,181,028	3,889,054,250

See accompanying notes forming part of the consolidated financial statements

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In terms of our report attached.
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. LAXMINARAYAN
Partner

Place: Mumbai
Date : 27th May, 2015

For and on behalf of the Board of Directors
M. Y. NOORANI
Chairman

ANEEL SARAFF
Chief Financial Officer

A. Y. NOORANI
Vice Chairman & Managing Director

KUMAR IYER
Company Secretary

Place : Mumbai
Date : 27th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	For the year ended 31 st March 2015 ₹	For the year ended 31 st March 2014 ₹
1. Revenue from operations (gross)	20	3,939,578,724	4,111,079,307
Less: Excise duty		-	5,487,124
Revenue from operations (net)		3,939,578,724	4,105,592,183
2. Other income	21	57,997,760	33,865,308
Total revenue (1+2)		3,997,576,484	4,139,457,491
3. Expenses			
(a) Cost of materials consumed	22A	1,412,551,458	1,471,518,978
(b) Purchases of stock-in-trade		406,326,790	323,369,823
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22B	(52,062,192)	683,312
(d) Employee benefits expense	23	700,484,426	648,759,353
(e) Finance costs	24	24,969,152	24,934,173
(f) Depreciation and amortisation expenses	10	104,646,180	105,032,015
(g) Expenditure on Corporate Social Responsibility	39	3,800,000	-
(h) Other expenses	25	1,270,136,190	1,259,816,990
Total expenses		3,870,852,004	3,834,114,644
4. Profit before tax		126,724,480	305,342,847
5. Tax expense:			
(a) Current tax expense		34,748,568	76,817,605
(b) Deferred tax charge	30	1,805,052	8,250,968
(c) (Excess) / Short Provision of tax pertaining to previous years		(28,975)	264,745
6. Profit for the year from continuing operations		90,199,835	220,009,529
7. Earnings per share (of ₹ 10/- each):			
(a) Basic	33	4.64	11.35
(b) Diluted	33	4.63	11.35

See accompanying notes forming part of the consolidated financial statements

1-40

In terms of our report attached.
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. LAXMINARAYAN
Partner

Place: Mumbai
Date : 27th May, 2015

For and on behalf of the Board of Directors
M. Y. NOORANI
Chairman

ANEEL SARAFF
Chief Financial Officer

A. Y. NOORANI
Vice Chairman & Managing Director

KUMAR IYER
Company Secretary

Place : Mumbai
Date : 27th May, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31 st March 2015		For the year ended 31 st March 2014	
	₹	₹	₹	₹
A. Cash flows from operating activities				
Profit before Tax		126,724,480		305,342,847
Adjustments for:				
Depreciation and amortisation	104,646,180		105,032,015	
Provision for Doubtful Debts and Advances	1,822,173		4,792,689	
Provision for Doubtful Debts written back	-		(295,386)	
Liabilities / provisions no longer required written back	(12,898,343)		(8,928,138)	
Provision for Wealth Tax	300,000		300,000	
Assets Discarded Written off	394,309		1,499,071	
Net Exchange Loss / (Gain) on revaluation	23,056,164		(19,028,401)	
(Profit) / Loss on Sale of Fixed Asset	(60,728)		542,550	
Reduction in the carrying amount of Current Investment	-		1,221,713	
Loss on sale of Current Investment	-		13,500	
Profit on Sale of Current Investments	(12,358,933)		(6,410,424)	
Dividend Income from Investments	(4,283,231)		(5,890,881)	
Finance Costs	24,969,152		24,934,173	
Interest Income	(7,957,652)		(7,688,240)	
		117,629,091		90,094,241
Operating Profit before working capital changes		244,353,571		395,437,088
Adjustments for:				
Trade and other receivables	(27,253,029)		(64,029,895)	
Inventories	(45,520,481)		(20,383,896)	
Trade and other Payables	(45,474,040)		131,909,395	
		(118,247,550)		47,495,604
Cash from operations		126,106,021		442,932,692
Currency Alignment on conversion of accounts of Non- Integral Foreign Subsidiaries		32,217,377		45,923,615
Direct taxes paid (Net)		(17,421,710)		(94,795,169)
Net cash generated from operating activities (A)		140,901,688		394,061,138
B. Cash Flows from investing activities				
Purchases of Current Investments		(390,646,349)		(442,083,837)
Sale of Current Investments		440,612,296		490,418,415
Purchases of Non-Current Investments		(22,523,852)		(80,909,387)
Dividend Received		4,283,231		5,890,881
Interest Income		7,957,652		7,688,240
Purchase of fixed assets		(196,110,560)		(162,867,923)
Proceeds from sale of fixed assets		122,444		555,349
Net cash used in investing activities (B)		(156,305,138)		(181,308,262)
C. Cash flows from financing activities				
Proceeds from short term borrowings		1,778,545,266		1,756,977,677
Repayment of short term borrowings		(1,693,238,828)		(1,795,124,836)

	For the year ended 31 st March 2015	For the year ended 31 st March 2014
	₹	₹
Proceeds / (Repayment) of Long Term borrowings	7,331,276	1,061,662
Issue of Shares at premium on exercising of Esops	27,956,800	-
Finance Costs	(24,969,152)	(24,934,173)
Interim dividend paid	(14,047,045)	-
Dividends paid (including Dividend Distribution Tax)	(91,272,727)	(42,043,219)
Net cash used in financing activities (C)	(9,694,410)	(104,062,889)
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	(25,097,860)	108,689,987
Cash and cash equivalents as at the commencement of the year	274,483,506	165,793,519
Cash and cash equivalents as at the end of the year	249,385,646	274,483,506
Restricted Cash (Unclaimed Dividend Accounts)	1,914,522	1,798,478
Cash and cash equivalents as at the end of the year as per Note 17	251,300,168	276,281,984

Notes

- The above Cash Flow Statement has been prepared under the “Indirect Method” set out in Accounting Standard (AS-3) “Cash Flow Statements”.
- Figures relating to previous year have been recast where necessary to conform the figures of the current year.

In terms of our report attached.
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. LAXMINARAYAN
Partner

Place: Mumbai
Date : 27th May, 2015

For and on behalf of the Board of Directors
M. Y. NOORANI
Chairman

A. Y. NOORANI
Vice Chairman & Managing Director

ANEEL SARAFF
Chief Financial Officer

KUMAR IYER
Company Secretary

Place : Mumbai
Date : 27th May, 2015

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements relate to Zodiac Clothing Co. Ltd (“the company”) and its subsidiaries which together constitute the Zodiac group (“the Group”). The consolidated financial statements have been prepared on the following basis.

- a) The financial statements of the Indian Subsidiary has been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”)/ Companies Act, 1956 (“the 1956 Act”) as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in the previous year. The financial statements of foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. In the opinion of the Management, based on the analysis of the significant transactions at those subsidiaries, no material adjustments are required to be made to comply with group accounting policies / Indian GAAP.

- b) Subsidiaries:

The Consolidated Financial Statements represent the Consolidated Accounts of Zodiac Clothing Company Limited, with its following Subsidiaries: -

	Name of the Subsidiary	Country of incorporation	Percentage of shareholding
a)	Zodiac Finsec and Holdings Ltd.	India	100%
b)	Zodiac Clothing Co. S.A.	Switzerland	100%
c)	Zodiac Clothing Co. (UAE) LLC	UAE	100%*
d)	Zodiac Clothing Company Inc.	USA	100%
e)	Zodiac Properties Ltd.	RAK (UAE)	100%

Note: -

- * The shareholders of the company are Mrs. Muna Mahmood Mohd. Mahmoud (51%) and M/s. Zodiac Clothing Co S.A. (49%). As per the mutual agreement between the shareholders, Mrs. Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s. Zodiac Clothing Co S.A. who is the beneficial owner.

(A) PRINCIPLES OF CONSOLIDATION

- a) The Financial statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating material intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) “Consolidated Financial Statements”.
- b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of the subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company’s separate financial statements.

- c) The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

(B) SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The Accounts are prepared on the accrual basis under the historical cost convention and to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable.

The preparation of financial statements in conformity with generally accepted

accounting principles in India requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

b) REVENUE RECOGNITION

Sales are recognised when goods are supplied to customers and are recorded net of sales tax/ value added tax, trade Discounts, Rebate and Returns but includes excise duty. Dividend income on investments is accounted when the right to receive the dividend is established. Interest income is accounted on accrual basis.

Revenue in respect of Insurance/other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

c) EXPORT BENEFITS

Export benefits under various schemes of Government of India are accounted on accrual basis on the basis of exports made and the value of imports made/ to be made there against.

d) FIXED ASSETS

Fixed Assets are recorded at Cost of acquisition. They are stated at historical costs including incidental expenses.

e) DEPRECIATION / AMORTISATION

i) On Tangible Assets:

Zodiac Clothing Company Ltd., India

The Company has calculated depreciation on straight-line basis in accordance with the provisions of the Companies Act, 2013. Pursuant to the Companies Act, 2013 ("the Act") becoming effective from 1st April, 2014 and read with the Notification No GSR .627 (E) dated 29th August, 2014 issued by the Ministry of Corporate Affairs, the company has reassessed the useful lives of Fixed Assets other than vehicles based on a technical evaluation carried out by an external

agency. Considering the nature of the Company's business, past experience of usage of assets and external technical evaluation, Management believes that the revised useful lives of the assets reflect the periods over which the assets are expected to be used. The estimated useful lives that are different from those prescribed under Schedule II are mentioned below :-

Description	Useful Life
Plant and Equipments	21 years
Furniture and Fixtures	16 years
Office Equipments	21 years
Computer	6 years
Electrical Installation	21 years

Vehicles are depreciated over a period of 8 years as per the useful life defined in Schedule II to the Companies Act, 2013.

Assets costing ₹ 5000/- or less individually are fully depreciated over a period of one year.

Zodiac Finsec & Holdings Ltd., India

Depreciation has been provided on straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013 as under:

Description	Useful Life	Gross Block as 31.03.2015
Building (office)	60 years	371,323,524
Furniture & Fixtures	10 years	695,968
Vehicles	5 years	100,000
Office Equipments	10 years	744,872

Zodiac Clothing Co. (UAE) LLC, UAE

The Cost of Fixed Assets is depreciated by equal annual installments over their estimated useful lives as under:

Description	Useful Life	Gross Block as 31.03.2015
Factory Building	10 years	67,421,399
Plant and Equipments	8 years	105,297,671
Furniture and Office Equipments	10 years	22,596,341
Vehicles	5 years	3,106,278

Cost of Leasehold Land is amortised over the period of lease.

Cost of Leasehold improvements is amortised over the primary period of lease. However, in cases where the Group as a lessee has the right of renewal of lease and it is intended to renew for further periods, then the cost of such leasehold improvements is amortised over such extended period.

ii) On Intangible Assets:

a) Goodwill

At the time of acquisition of the business, the difference between the cost of investments and the fair value of assets as at the date of acquisition is accounted for as goodwill. Goodwill is amortised over a period of 10 years.

Goodwill on amalgamation in the nature of merger is amortised over a period of 5 years.

b) Computer software is amortised on straight line basis over a period of 6 years.

f) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there is a change in the estimate of the recoverable value.

g) INVESTMENTS

Investments are classified into non-current investments and current investments. Investments, which are intended to be held for more than one year are classified as non-current investments and investments which are intended to be held for less than one year, are classified as current investments. Non-current investments are accounted at

cost and a provision for diminution is made to recognize a decline other than temporary in the value of a non-current investment. Current investments are valued at cost or fair value whichever is lower.

Any profit or loss on sale of investments is determined on the basis of the average cost of acquisition.

Accounting policy for investment property-

Property held for the purpose of generating rental income or capital appreciation or both, are classified as investment property and are stated at cost. Investment properties are measured at cost including transaction costs less any accumulated depreciation and impairment losses. Any expenditure that results in maintenance of property to acceptable standard or specification is treated as repairs and maintenance expenses and is expensed in the year in which it is incurred.

Investment properties are capitalised and depreciated on a straight line basis over the period of 61 years. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

h) TRANSACTIONS IN FOREIGN CURRENCY

i) Foreign Subsidiaries (Non integral operation)

In case of foreign subsidiaries Income and Expenses are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the subsidiaries.

ii) Other Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss.

Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at the inception of such forward exchange contracts are amortised as income or expense over the life of the contract.

Gains /Losses on settlement of transactions arising on cancellation/ renewal of forward exchange contracts are recognized as income or expense.

i) HEDGE ACCOUNTING

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Further, non-derivative financial liabilities in the form of Pre-shipment Export Credit in Foreign Currency (PCFC) borrowings have also been designated as hedging instruments to hedge the highly probable forecast sales in foreign currency. The Group designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provides written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates.

Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the Statement of Profit and Loss for the period.

j) INVENTORIES

- a) Raw materials are valued at cost or net realisable value whichever is lower. The cost includes purchase price as well as incidental expenses. The cost formulae used are First In First Out, weighted average cost or Specific identification method, as applicable and found appropriate.
- b) Work - in - progress is valued at cost calculated on the basis of absorption costing or net realisable value whichever is lower.
- c) Finished goods are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing.
- d) Packing materials and accessories are valued at First in First out cost or net realisable value whichever is lower.
- e) Stores and spare parts are valued at First in First out cost or net realisable value whichever is lower.
- f) Stock of shares is valued at the lower of cost computed on First in First out basis and fair value.

k) EMPLOYEE BENEFITS

- a) The contribution to Provident Fund as required under the statute is made to the Government Provident Fund and is debited to Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit obligation. The Company has taken Group gratuity- cum-life assurance (cash accumulation) Scheme offered by Life Insurance Corporation of India (LIC) . Annual contributions are made on the basis of intimation received from LIC. The company accounts for liability for future gratuity benefits based on actuarial valuation carried out as at the end of each financial year. Actuarial gains and losses are recognized in full in Statement of Profit and Loss for the period in which they occur.
- c) Benefits in the form of vesting and non-vesting compensated absences are accounted as per actuarial valuation carried out as at the year end.

- d) In case of a Foreign Subsidiary, provision for retirement benefits is made on actual basis in accordance with the applicable local labour laws.

l) EMPLOYEE SHARE BASED PAYMENTS

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of option to employee of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

m) TAXES ON INCOME

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – Accounting for Taxes on Income. Income Tax comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the revenue authorities, using applicable tax rates and laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising on account of brought forward losses and unabsorbed

depreciation under tax laws are recognised only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realisation.

n) BORROWING COST

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in the period in which they are incurred.

o) LEASES

Assets taken / given on lease by which all significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payment/receipts under operating leases are recognized as expense/income on straight line basis over the lease term.

p) PROVISIONS AND CONTINGENCIES

Provisions are recognized when the Group has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Group has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

q) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	₹	Number of shares	₹
NOTE 2 : SHARE CAPITAL				
(a) Authorised				
Equity shares of ₹ 10/- each	30,000,000	300,000,000	30,000,000	300,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 10/- each	19,511,199	195,111,990	19,389,998	193,899,980
TOTAL	19,511,199	195,111,990	19,389,998	193,899,980

Notes :

- (i) Rights, Preferences and Restrictions attached to equity shares:
- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
 - The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
 - Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company. A member can also exercise his vote by electronic means in accordance with section 108 of the Companies Act, 2013.

- (ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended 31 st March, 2015		Year ended 31 st March, 2014	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Opening Balance	19,389,998	193,899,980	19,389,998	193,899,980
Issue of shares under ESOP	121,201	1,212,010	-	-
Closing Balance	19,511,199	195,111,990	19,389,998	193,899,980

- (iii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares held	% of holding	Number of shares held	% of holding
Asia Tangible Investments Pte Ltd.	3,154,882	16.17	3,154,882	16.27
Euro Global Holdings Pte. Ltd.	3,154,882	16.17	3,154,882	16.27
Miraj Marketing Company LLP	2,317,734	11.88	2,317,734	11.95
Mohammed Yusuf Noorani *	2,660,103	13.63	2,583,805	13.33
Akash Bhanshali	1,361,700	6.98	2,025,000	10.44
Pari Washington Company Pvt. Ltd. A/C				
Pari Washington India Master Fund, Ltd	1,168,087	5.99	1,108,087	5.71
* Out of 2,660,103 shares held by Mr Mohammed Yusuf Noorani, (previous year 2,583,805), following shares are held by him:-				
a) as Trustee for and on behalf of Yusuf Noorani Family Trust	18,990		18,990	
b) as Trustee for and on behalf of Anees Yusuf Noorani Family Benefit Trust	8,334		8,334	

- (iv) As at 31st March, 2015, 205,326 shares (As at 31st March, 2014, 349,575 shares) were reserved for issuance towards outstanding employee stock options granted (Refer Note 34)

- (v) Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 st March, 2015	As at 31 st March, 2014
Fully paid up by way of bonus shares	10,614,770	10,614,770

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 3 : RESERVES AND SURPLUS		
(a) Securities Premium Account		
Opening balance	240,966,005	240,966,005
Add : Received on issue of Shares on exercise of ESOP under Zodiac Clothing Company Limited Employee Stock Option Plan 2006	26,744,790	-
Closing balance	267,710,795	240,966,005
(b) Statutory Reserve		
As per last Balance sheet	1,798,014	1,798,014
(c) Special Reserve u/s 45 IC of the RBI Act 1934		
Opening balance	52,705,328	44,412,328
Add: Transferred from Statement of Profit and Loss	8,177,000	8,293,000
Closing balance	60,882,328	52,705,328
(d) General reserve		
Opening balance	259,315,126	244,015,126
Add: Transferred from surplus in Statement of Profit and Loss	10,000,000	15,300,000
Closing balance	269,315,126	259,315,126
(e) Foreign currency translation reserve		
Opening balance	149,084,283	103,160,668
Add : Effect of foreign exchange rate variations during the year	32,217,377	45,923,615
Closing balance	181,301,660	149,084,283
(f) Hedging reserve (Net)		
Unrecognised Gains / (Losses) on cash flow hedges (net)		
Opening balance	21,682,438	7,923,343
Add: Amount reversed on settlement of hedged contracts	(21,682,438)	(7,923,343)
	-	-
Add / (Less): Gain / (Loss) on mark to market of hedging instruments designated and effective as hedges of future cash flows	4,378,842	21,682,438
Closing balance	4,378,842	21,682,438
(g) State cash Subsidy		
As per last Balance Sheet	1,584,350	1,584,350
(h) Amalgamation Reserve Account		
As per last Balance Sheet	816,433	816,433
(i) Surplus in Statement of Profit and Loss		
Opening balance	1,681,045,806	1,583,385,816
Add: Provision for tax on dividend in terms of Section 115O read with Section 115BD of the Income Tax Act, 1961 for the previous year written back	11,111,846	3,327,438
Less: Depreciation Adjustment (Net of Deferred Tax ₹ Nil)	463,237	-
Less: Dividend for Financial Year 2013-14 being rounding off differences	596	-
Add: Profit for the year	90,199,835	220,009,529
	1,781,893,654	1,806,722,783
Less: Transferred to General Reserve	10,000,000	15,300,000
Interim dividend (₹ 0.60/-per share) (Previous Year NIL)	11,706,705	-
Final Dividend proposed to be distributed to equity shareholders (₹ 2.50/- per Share) (Previous Year ₹ 4.50/- per Share)	48,777,998	87,254,991
Tax on dividend	12,270,393	14,828,986
Transferred to special reserve u/s 45IC of RBI Act, 1934	8,177,000	8,293,000
Closing balance	1,690,961,558	1,681,045,806
TOTAL	2,478,749,106	2,408,997,783

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 4 : LONG-TERM BORROWINGS		
Secured Term Loan From Bank	73,497,341	64,685,132
TOTAL	73,497,341	64,685,132
(i) Details of terms of repayment and security provided for the secured long-term borrowings:		
Particulars	Term of repayment and security	
Citi Bank	Secured by way of hypothecation of machinery	
	The loan is repayable in 15 equal quarterly installments starting from the 18th month after the first drawdown dates as under:	
	November, 2014 14,700,000	
	December, 2014 5,174,300	
	March, 2015 5,087,850	
	The loan carries an interest rate of 10.75% p.a.	
The Hongkong and Shanghai Banking Corporation Ltd, London	Secured by way of First charge on the residential and commercial property situated at 11A Montagu Mews North Montagu Place, London	
	48,535,191	64,685,132
TOTAL	73,497,341	64,685,132
(ii) For the current maturities of long-term borrowings, refer item (a) in Note 8, Other current liabilities.		
NOTE 5 : LONG TERM PROVISIONS		
Provision for Employee benefits:		
Provision for Compensated Absences	14,436,503	12,846,731
Provision for Gratuity	7,103,859	8,823,617
Provision for Staff Air Passage	1,894,215	2,361,582
TOTAL	23,434,577	24,031,930
NOTE 6 : SHORT-TERM BORROWINGS		
Working Capital Loans :		
a) From banks		
Secured	473,892,325	415,527,015
Unsecured	20,706,945	10,709
	494,599,270	415,537,724
(b) Loans and advances from related parties		
Unsecured	312,175	2,470,216
TOTAL	494,911,445	418,007,940
Details of security for the secured short-term borrowings:		
Particulars	Nature of Security	
Citi Bank / First Rand Bank	Secured by hypothecation of Raw Materials, Finished Goods & Semi finished Goods, Packing Materials & other Accessories, Stores and Spares, Book debts, other receivables and claims, both present and future.	
	473,892,325	415,527,015
TOTAL	473,892,325	415,527,015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 7 : TRADE PAYABLES		
Trade payables:		
Other than Acceptances	371,814,891	402,716,223
Dues of Micro Small and Medium Enterprises	3,685,861	3,207,921
TOTAL	375,500,752	405,924,144
NOTE 8 : OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term borrowings (Refer Note (i) below)	11,420,045	12,900,978
(b) Interest accrued but not due on borrowings	543,657	245,946
(c) Interest accrued and due on borrowings	167,920	176,381
(d) Unpaid dividends (Refer Note (ii) below)	1,914,522	1,798,478
(e) Salaries and Wages Payable	31,282,512	26,371,625
(f) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	20,934,857	21,718,225
(ii) Payables on purchase of fixed assets	41,881,144	26,933,314
(iii) Trade / security deposits received	26,904,222	26,706,004
(iv) Advances from customers	11,263,955	13,819,204
(v) Provision for bonus	35,058,820	35,837,361
(vi) Others	11,834,883	15,796,317
TOTAL	193,206,537	182,303,833
Notes:		
(i) Refer Note (i) in Note 4 - Long-term borrowings for details of security.		
(ii) There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund		
NOTE 9 : SHORT-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for incentives	-	7,500,000
(ii) Provision for gratuity	6,805,105	4,224,769
(iii) Provision for staff air passage	3,306,349	1,768,846
(iv) Provision for compensated absences	6,210,176	4,291,369
	16,321,630	17,784,984
(b) Provision - Others:		
(i) Provision for Wealth Tax	300,000	300,000
(ii) Provision for proposed equity dividend	48,777,998	87,254,991
(iii) Provision for tax on proposed dividend	9,930,053	14,828,986
(iv) Provision for Remuneration to Managing Directors	1,400,000	24,800,000
	60,408,051	127,183,977
TOTAL	76,729,681	144,968,961

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2014	Additions	Deduction / Adjustments	Currency Alignment	As at Mar 31, 2015	For the year ended Mar 31, 2015	Deduction / Adjustments	Transitional adjustment recorded against surplus balance in Statement of Profit and Loss	As at Mar 31, 2015	As at Mar 31, 2014
	Amount in (₹)									
A TANGIBLE ASSETS										
Freehold Land	42,090,419	-	-	-	42,090,419	-	-	-	42,090,419	42,090,419
Leasehold Land	(42,090,419)	(-)	(-)	(-)	(42,090,419)	(-)	(-)	(-)	-	-
Building	475,940	-	-	-	475,940	182,393	19,748	-	273,799	293,547
	(475,940)	(-)	(-)	(-)	(475,940)	(162,645)	(19,748)	(-)	-	-
Plant and Equipments	518,228,508	41,956,507	-	2,775,988	562,961,003	137,090,207	9,085,251	-	414,215,670	381,138,301
	(506,111,421)	(6,495,224)	(189,051)	(5,810,914)	(518,228,508)	(122,720,915)	(9,038,183)	(-)	(182,393)	(137,090,207)
Furniture and Fixtures	450,611,395	53,370,978	1,758,159	4,077,875	506,302,089	228,250,081	19,877,445	-	256,514,994	222,361,314
	(411,602,766)	(31,114,963)	(240,000)	(8,133,666)	(450,611,395)	(200,839,812)	(20,949,456)	(-)	(14,986)	(228,250,081)
Vehicles	335,639,920	39,659,580	468,347	881,181	375,712,334	115,523,815	19,382,352	-	240,641,940	220,116,105
	(294,120,071)	(40,100,949)	(-)	(1,418,900)	(335,639,920)	(93,862,197)	(20,546,936)	(-)	(115,523,815)	(115,523,815)
Office Equipment	37,307,798	737,214	656,057	128,476	37,517,431	20,112,982	4,968,648	28,500	13,033,120	17,194,816
	(36,392,595)	(2,248,838)	(1,382,558)	(48,923)	(37,307,798)	(17,646,413)	(634,647)	(-)	(20,112,982)	(20,112,982)
Lease hold Improvement	74,215,449	3,115,734	29,626	-	77,301,557	16,135,965	3,633,802	434,737	57,126,679	58,079,484
	(65,425,890)	(8,958,815)	(169,256)	(-)	(74,215,449)	(12,103,318)	(4,036,788)	(-)	(16,135,965)	(16,135,965)
Computer	284,302,411	35,069,769	-	-	319,372,180	101,999,000	24,117,067	-	126,116,067	193,256,113
	(256,718,632)	(29,738,477)	(2,154,698)	(-)	(284,302,411)	(80,951,172)	(1,167,344)	(-)	(101,999,000)	(101,999,000)
Electrical Installation	67,701,043	3,082,780	18,888	-	70,764,935	44,824,180	5,717,571	-	20,242,072	22,876,863
	(66,202,860)	(1,498,183)	(-)	(-)	(67,701,043)	(38,509,459)	(6,314,721)	(-)	(44,824,180)	(44,824,180)
	86,618,180	3,800,379	-	-	90,418,559	24,932,853	3,527,523	-	61,958,183	61,685,327
	(80,999,328)	(5,793,982)	(175,130)	(-)	(86,618,180)	(21,010,931)	(3,975,447)	(-)	(24,932,853)	(24,932,853)
SUB TOTAL A	1,897,191,063	180,792,941	2,931,077	7,863,520	2,082,916,447	689,051,476	90,329,407	2,736,996	1,299,352,989	1,208,139,587
Previous Year	(1,760,139,922)	(125,949,431)	(4,310,693)	(15,412,403)	(1,897,191,063)	(587,806,862)	(90,177,042)	(-)	(689,051,476)	(689,051,476)
B INTANGIBLE ASSETS										
(Acquired)										
Goodwill	87,812,033	-	-	3,111,269	90,923,302	81,529,367	6,411,885	-	90,923,302	6,282,666
	(81,035,874)	(-)	(-)	(6,776,159)	(87,812,033)	(68,809,933)	(7,281,194)	(-)	(81,529,367)	(81,529,367)
Software	31,113,223	2,816,424	-	-	33,929,647	16,272,266	4,373,101	-	20,645,367	14,840,957
	(29,839,641)	(1,273,582)	(-)	(-)	(31,113,223)	(12,146,792)	(4,125,474)	(-)	(16,272,266)	(16,272,266)
SUB TOTAL B	118,925,256	2,816,424	-	3,111,269	124,852,949	97,801,633	10,784,986	-	13,284,280	21,123,623
Previous Year	(110,875,515)	(1,273,582)	(-)	(6,776,159)	(118,925,256)	(80,956,725)	(11,406,668)	(-)	(97,801,633)	(97,801,633)
C Capital Work in Progress										
D Intangible Assets Under Development										
TOTAL (A+B+C+D)	2,016,116,319	183,609,365	2,931,077	10,974,789	2,207,769,396	786,853,109	101,114,393	2,736,996	1,370,492,335	1,267,598,028
Previous Year	(1,871,015,437)	(127,223,013)	(4,310,693)	(22,188,562)	(2,001,616,319)	(668,763,587)	(101,583,710)	(-)	(1,370,492,335)	(1,370,492,335)
Note :-										
1. Plant and Equipments costing ₹ 27,492,922/- (Previous Year ₹ 72,003,595/-) are hypothecated against Term Loan sanctioned.										
2. In case of Zodiac Clothing Co. (UAE) LLC a subsidiary, Factory building is constructed on annually renewable leasehold land.										
3. Building includes premises of the Gross Book Value of ₹ 378,291,174/- (Previous Year ₹ 375,968,623/-) given on operating lease.										
4. The above depreciation does not include depreciation of ₹ 3,531,787/- (Previous Year ₹ 3,448,305/-) on investment property classified as non current investment.										
5. Figures in bracket are in respect of the corresponding previous year.										

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March 2015 ₹	As at 31 st March 2014 ₹
NOTE 11 : NON-CURRENT INVESTMENTS		
Non Current Investments (At cost, fully paid up unless otherwise stated)		
Other Investments		
A. Investment property – Commercial Building		
(net of accumulated depreciation) (Refer Note Below)	187,023,679	205,352,941
TOTAL - (A)	187,023,679	205,352,941
B. In equity instruments of other entities (Quoted)		
1,713,750 Equity Shares of ₹ 5/-each of Shoppers Stop Ltd.	86,815,750	86,815,750
66 Equity Shares of ₹ 10/- each of Aditya Birla Nuvo Ltd.	84,609	84,609
830 Equity Shares of ₹ 1/- each of Hindalco Industries Ltd.	43,202	43,202
108 Equity Shares of ₹ 1/- each of Coramandel International Ltd.	5,203	5,203
7 Equity Shares of ₹ 10/- each of Exide Industries Ltd.	210	210
In Preference Shares of other entities (Quoted)		
1,250,000, 21.06% Cumulative Non Convertible Compulsorily redeemable preference shares of ₹ 10/- each in I L & F S Transportation networks Ltd.	25,000,000	25,000,000
TOTAL - (B)	111,948,974	111,948,974
C. Investment in Venture Capital Funds (Unquoted)		
i. Tata Capital Growth Fund	13,668,922	10,785,853
20,000,000 units @ ₹ 1 each, partly paid up ₹ 0.67236 per unit (Previous Year partly paid up ₹ 0.5282 per unit)		
ii. Tata Capital Health Care Fund	10,264,099	9,102,516
20,000,000 units @ ₹ 1 each, partly paid up ₹ 0.5038 per unit (Previous Year partly paid up ₹ 0.4457 per unit)		
iii. Faering Capital India Evolving Fund	93,663,059	56,854,597
93,633 units @ ₹ 1,000 each (Previous Year 56,855 units @ ₹ 1,000/- each)		
TOTAL - (C)	117,596,080	76,742,966
TOTAL (A+B+C)	416,568,733	394,044,881
Aggregate Value of Quoted Investments	111,948,974	111,948,974
Aggregate market value of listed and quoted investments	727,113,473	684,322,908
Aggregate Value of Unquoted Investments	304,619,759	282,095,907
Note: The investment property represents residential and commercial building situated at 11A Montagu Mews, London, hypothecated by way of first charge against term loan sanctioned by The Hongkong & Shanghai Banking Corporation Ltd.		
NOTE 12 : LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
(a) Capital advances	5,533,330	2,934,687
(b) Security deposits (Refer Note Below)	193,116,432	171,081,677
(c) Balances with government authorities		
(i) Sales tax Deposits	12,741,404	4,889,264
(ii) Custom duty receivable	2,119,519	2,595,465
(iii) Service Tax credit receivable	3,490,208	5,341,325
(d) Prepaid expenses	550,655	771,497
(e) Advance income tax (Net of Provisions)	116,863,645	134,161,528
TOTAL	334,415,193	321,775,443
Note: Security Deposits includes amount paid to:		
(i) Directors		
Mr M.Y. Noorani	360,000	130,000
Mr A.Y. Noorani	945,000	425,000
Mr S.Y. Noorani	945,000	425,000
(ii) Firms in which some of the Directors of the company are partners		
Metropolitan Trading Company	16,500,000	17,310,000
Munraz Enterprises	1,000,000	1,500,000
Mustang Manufacturing Company	250,000	210,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 13 : OTHER NON-CURRENT ASSETS		
(a) Accruals		
(i) Interest accrued on Investments	272,241	261,069
(ii) Dividend accrued on Investments	254,549	254,549
(b) Others	17,581	17,581
TOTAL	544,371	533,199

NOTE 14 : CURRENT INVESTMENTS (AT LOWER OF COST AND FAIR VALUE)

In units of Mutual Funds (Unquoted):

Nil (Previous Year: 2,527,297) Units of ₹ 10/- each of Birla Sunlife Dynamic Bond Fund Retail Plan-Dividend	-	25,773,630
Nil (Previous Year: 2,957,371) Units of ₹ 10/- each of IDFC Dynamic Bond Fund-Quarterly dividend (Direct Plan)	-	30,690,400
Nil (Previous Year: 198,558) Units of ₹ 10/- each of IDFC- Money Manager Fund-Treasury Plan-Growth (Direct Plan)	-	4,000,000
Nil (Previous Year: 9,000) Units of ₹ 1000/- each of Pramerica Income Fund-Direct Growth	-	9,000,000
1876 (Previous Year: 7,003) Units of ₹ 1000/- each of Pramerica Liquid Fund Direct Plan-Growth Option	2,800,000	9,550,673
Nil (Previous Year: 2,546,748) Units of ₹ 10/- each of Templeton India low duration fund Direct monthly dividend	-	26,669,828
108,713 (Previous Year: Nil) Units of ₹ 100/- each of Birla Sunlife Savings Fund -Growth (Regular Plan)	29,169,197	-
1,853,905 (Previous Year: Nil) Units of ₹ 10/- each of IDFC Ultra Short Term Fund-Growth (Regular Plan)	36,108,320	-
TOTAL	68,077,517	105,684,531
Aggregate amount of unquoted investments	68,077,517	105,684,531

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 15 : INVENTORIES		
(At lower of cost and net realisable value)		
(a) Raw materials	215,949,348	206,648,212
Goods-in-transit	12,360,364	21,780,050
	<hr/>	<hr/>
	228,309,712	228,428,262
(b) Work-in-progress	52,301,352	56,333,245
(c) Finished goods (other than those acquired for trading)	319,348,147	261,803,462
(d) Stock-in-trade (acquired for trading)	93,626,598	90,308,816
Goods-in-transit	-	4,813,730
	<hr/>	<hr/>
	93,626,598	95,122,546
(e) Stores and spares	6,722,845	6,698,297
Goods-in-transit	6,804	-
	<hr/>	<hr/>
	6,729,649	6,698,297
(f) Accessories and Packing Materials	107,654,423	109,787,924
Goods-in-transit	7,081,046	10,255,527
	<hr/>	<hr/>
	114,735,469	120,043,451
(g) Chemicals & Furnace oil etc	3,128,045	4,274,576
(h) Stock of Shares (at lower of cost and Fair value)	711,410	666,062
	<hr/>	<hr/>
TOTAL	818,890,382	773,369,901

NOTE 16 : TRADE RECEIVABLES

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

Unsecured, considered good	29,040,443	22,087,739
Doubtful	19,747,199	22,065,901
	<hr/>	<hr/>
	48,787,642	44,153,640
Less: Provision for doubtful trade receivables	19,747,199	22,065,901
	<hr/>	<hr/>
	29,040,443	22,087,739
Other Trade receivables		
Unsecured, considered good	398,175,434	395,466,990
	<hr/>	<hr/>
TOTAL	427,215,877	417,554,729

NOTE 17 : CASH AND CASH EQUIVALENTS

(a) Cash on hand	1,871,755	3,181,789
(b) Remittances in Transit	6,350,226	6,301,381
(c) Balances with banks		
(i) In current accounts	213,125,421	137,348,911
(ii) In EEFC accounts	1,363	42
(iii) In deposit accounts (Refer Note Below)	600,000	102,368,429
(iv) In earmarked accounts		
- Unpaid dividend accounts	1,914,522	1,798,478
- Balances held as margin money or security against borrowings, guarantees and other commitments	27,436,881	25,282,954
	<hr/>	<hr/>
TOTAL	251,300,168	276,281,984

Note: Balances with banks include deposits amounting to ₹ 600,000 (As at 31st March, 2014 ₹ Nil) which have an original maturity of more than 12 months.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 18 : SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
(a) Loans and advances to related parties	102,823,510	132,338,295
(b) Security Deposit	31,488	30,186
(c) Loans and advances to employees		
- Good	11,704,971	6,771,085
- Doubtful	4,115,128	3,115,128
	<hr/> 15,820,099	<hr/> 9,886,213
Less: Provision for doubtful loans and advances	4,115,128	3,115,128
	<hr/> 11,704,971	<hr/> 6,771,085
(d) Prepaid expenses	21,469,080	19,397,356
(e) Balances with government authorities		
(i) CENVAT credit receivable	-	3,203,837
(ii) others	13,396,157	6,966,484
	<hr/> 13,396,157	<hr/> 10,170,321
(f) Others		
(i) Advances against goods and services	12,656,536	11,893,560
(ii) Deferred Premium on forward contracts	5,522,584	4,910,212
(iii) Export incentive receivable	57,537,599	80,149,383
(iv) Advance payment to Gratuity Fund	28,488,765	45,498,957
(v) Other balances	18,036,822	21,021,508
	<hr/> 122,242,306	<hr/> 163,473,620
Doubtful	553,762	533,762
	<hr/> 122,796,068	<hr/> 164,007,382
Less: Provision for other doubtful loans and advances	553,762	533,762
	<hr/> 122,242,306	<hr/> 163,473,620
TOTAL	<hr/> 271,667,512 <hr/>	<hr/> 332,180,863 <hr/>

NOTE 19 : OTHER CURRENT ASSETS

Accruals		
Interest accrued on deposits	8,940	30,691
	<hr/>	<hr/>
TOTAL	<hr/> 8,940 <hr/>	<hr/> 30,691 <hr/>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31 st March 2015 ₹	For the year ended 31 st March 2014 ₹
NOTE 20 : REVENUE FROM OPERATIONS		
(a) Sale of products	3,744,648,912	3,896,036,523
(b) Other operating revenues (Refer Note below)	<u>194,929,812</u>	<u>215,042,784</u>
	3,939,578,724	4,111,079,307
Less:		
(c) Excise duty	<u>-</u>	<u>5,487,124</u>
TOTAL	<u>3,939,578,724</u>	<u>4,105,592,183</u>
Note:		
Other operating revenues comprise:		
Duty drawback and other export incentives	102,642,790	115,878,126
Recovery of Freight and insurance on sales	49,929,708	59,701,151
Rent and other revenue received	<u>42,357,314</u>	<u>39,463,507</u>
TOTAL	<u>194,929,812</u>	<u>215,042,784</u>
NOTE 21 : OTHER INCOME		
(a) Interest income	7,957,652	7,688,240
(b) Dividend income:		
from current investments	2,281,862	4,601,430
from non current investments	2,001,369	1,289,451
(c) Net gain on sale of current investments	12,358,933	6,410,424
(d) Net gain on foreign currency transactions and translation (other than considered as finance cost)	13,129,414	-
(e) Liabilities / Provisions no longer required written back	12,898,343	8,928,138
(f) Rental Income	1,835,067	550,550
(g) Profit on sale of Fixed Assets	60,728	-
(h) Other Miscellaneous Income	<u>5,474,392</u>	<u>4,397,075</u>
TOTAL	<u>57,997,760</u>	<u>33,865,308</u>
NOTE 22A : COST OF MATERIALS CONSUMED		
Opening stock	348,471,713	330,510,489
Add: Purchases	<u>1,407,124,926</u>	<u>1,489,480,202</u>
	1,755,596,639	1,819,990,691
Less: Closing stock	<u>343,045,181</u>	<u>348,471,713</u>
TOTAL	<u>1,412,551,458</u>	<u>1,471,518,978</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31 st March 2015 ₹	For the year ended 31 st March 2014 ₹
NOTE 22B: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods	319,348,147	261,803,462
Stock in Trade	93,626,598	95,122,546
Work-in-progress	52,301,352	56,333,245
Stock of Shares	711,410	666,062
	465,987,507	413,925,315
Inventories at the beginning of the year:		
Finished goods	261,803,462	261,856,008
Stock in Trade	95,122,546	105,751,433
Work-in-progress	56,333,245	46,313,946
Stock of Shares	666,062	687,240
	413,925,315	414,608,627
NET (INCREASE) / DECREASE	(52,062,192)	683,312
 NOTE 23 : EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	591,827,965	552,048,334
Contributions to provident and other funds	54,568,001	52,056,829
Staff welfare expenses	54,088,460	44,654,190
TOTAL	700,484,426	648,759,353
 NOTE 24 : FINANCE COSTS		
(a) Interest expense on:		
(i) Borrowings (Net of Interest reimbursement receivables under TUF scheme ₹ 389,172/- Previous Year ₹ 92,880/-)	10,784,835	11,010,137
(ii) Others		
- Interest on delayed / deferred payment	404,034	662,679
(b) Amortisation of deferred premium cost	13,780,283	13,261,357
TOTAL	24,969,152	24,934,173

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31 st March 2015 ₹	For the year ended 31 st March 2014 ₹
NOTE 25 : OTHER EXPENSES		
Consumption of stores and spare parts	8,517,131	9,183,399
Excise duty on Finished Goods (Refer Note 38)	-	(5,487,124)
Labour Charges	65,057,808	78,502,239
Consumables for printing / embroidery / washing	21,292,247	29,508,057
Power and fuel	32,431,272	35,093,090
Rent including lease rentals (Refer Note 29)	327,794,164	259,531,461
Retail store maintenance expenses	59,146,881	48,051,290
Repairs and maintenance - Buildings	6,896,218	6,714,085
Repairs and maintenance - Machinery	9,291,953	8,838,961
Repairs and maintenance - Others	22,146,634	20,100,528
Insurance	12,966,716	10,817,303
Rates and taxes	19,076,004	15,026,956
Postage and Telephones	22,721,843	23,725,463
Travelling and conveyance	46,505,323	44,202,086
Printing and stationery	4,696,172	5,201,070
Freight and forwarding	138,692,078	118,053,334
Sales commission	102,691,309	129,677,924
Sales discount	30,784,517	51,725,745
Business promotion	173,601,609	168,138,677
Donations and contributions	6,048,515	9,624,338
Legal and professional	31,258,152	26,539,605
Directors' Sitting fees	2,435,534	1,780,876
Electricity	38,918,679	36,334,397
Remuneration to Managing Directors (including Provident Fund)	13,496,000	24,800,000
Security Charges	10,658,907	9,615,552
Trade Mark fees	21,696,459	21,628,458
Payments to auditors	3,397,478	3,137,774
Share Issue Expenses	295,600	-
Bad and doubtful debts written off	500,511	1,015,453
Net loss on foreign currency transactions and translation (other than considered as finance cost)	-	31,421,916
Loss on fixed assets sold	-	542,550
Reduction in the carrying amount of current investments	-	1,221,713
Bank Charges	22,485,186	20,248,588
Assets discarded written off	394,309	1,499,071
Net loss on sale of current investments	-	13,500
Provision for doubtful trade receivables and loans and advances	1,822,173	4,792,689
Miscellaneous expenses	12,418,808	8,995,966
TOTAL	1,270,136,190	1,259,816,990

26) (i) Contingent Liabilities: -

- a) Guarantee issued by the Banks and counter guaranteed by the Company: ₹ 30,158,414/- (Previous year ₹ 27,007,621/-)
- b) Foreign letters of Credits opened by Bank and counter guaranteed by the Company: ₹ 33,899,915/- (Previous year ₹ 26,327,666/-)
- c) Foreign bills / Letters of Credit discounted with Bank ₹ 5,280,234/- (Previous year ₹ 445,121/-)
- d) Disputed demand not provided for in respect of: -

	Current year ₹	Previous Year ₹
1) Income Tax	90,422,277	116,088,095
2) Sales Tax	4,265,199	11,229,872
3) Apparel Export Promotion Council for non fulfillment of export obligation	424,415	424, 415

- e) Claims against the Company not acknowledged as debts ₹ 2,662,300/- (Previous Year ₹ 129,200/-)
- f) Labour disputes not acknowledged as debts: Amount not ascertainable.

Note:- In respect of items mentioned above, till the matters are finally decided, the financial effect cannot be ascertained.

- g) Significant Capital Commitment in respect of contribution to Venture Capital Funds amounting to ₹ 22,813,768/- (Previous Year ₹ 63,666,870/-).

- (ii) **Other commitments:-** Contractual arrangement for payment in case of default on Corporate credit card facility availed by certain employees from a bank ₹ 4,900,000/- (Previous year ₹ 4,900,000/-).

27) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 23,419,865/- (Previous year ₹ 18,827,465/-)

28) The amount of premium on forward exchange contracts to be recognised in the Statement of Profit and Loss in the next financial year is ₹ 5,522,584/- (Previous Year ₹ 4,910,212/-)

29) Operating Leases: -**A) Premises Taken On Lease**

- a) The Company has taken various offices/shops under operating lease or leave

and license agreements. These are non cancelable during a lock in period which ranges between 11 months to 3 years under leave and license agreements and are renewable by mutual consent on mutually agreeable terms.

- b) Lease Payments recognized in the Statement of Profit & Loss under rent in Note 25 is ₹ 327,794,164/- (Previous Year: ₹ 259,531,461/-).
- c) The future minimum lease payments under non-cancelable operating lease :
 - (i) not later than one year is ₹ 43,342,600/- (Previous Year: ₹ 9,594,719/-); and
 - (ii) Later than one year and not later than five years is ₹ 772,352/- (Previous Year: ₹ 1,273,638 -/-).
 - (iii) Later than five years Nil (Previous Year : Nil).

B) Premises Given On Lease

- a) The Company has given its premises under operating lease on leave and licence basis. These are cancelable and the period ranges between 11 months to 3 years under leave and licence agreements and renewable by mutual consent on mutually agreed terms.
- b) Lease rentals recognized in the Statement of Profit & Loss under Rent in Note 20 & Note 21 is ₹ 39,116,633/- (Previous Year ₹ 35,384,311/-)
- c) The future minimum Lease rentals under non-cancelable operating leases:
 - (i) Not later than one year is ₹ 30,674,916/- (Previous Year ₹ 7,150,575)
 - (ii) Later than one year and not later than 5 year ₹ 7,668,729/- (Previous Year: Nil)
 - (iii) Later than 5 years Nil (Previous Year : Nil)
- d) Premises given on licence basis:-
Gross Carrying amount ₹ 580,415,744/- (Previous Year ₹ 591,716,342/-)
Accumulated Depreciation
₹ 65,409,437/- (Previous Year ₹ 55,953,698/-)
Depreciation for the year ₹ 9,508,528/- (Previous Year ₹ 9,538,728/-)

30) Deferred Tax: -

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Deferred Tax Liability on account of:		
(i) Depreciation and Amortisation	61,110,009	52,239,899
(ii) Provision for Retirement Benefits	-	2,486,593
	61,110,009	54,726,492
Deferred Tax Assets on account of:		
(i) Employee benefits disallowed u/s 43B	34,608	812,273
(ii) Provision for Retirement Benefit	4,585,882	-
(iii) Provision for Doubtful Debts & Advances	8,449,920	7,679,672
	13,070,410	8,491,945
Deferred Tax Liabilities (Net)	48,039,599	46,234,547
The Net Deferred tax charge of ₹ 1,805,052/- (Previous Year ₹ 8,250,968/-) for the year has been recognized in the Statement of Profit and Loss.		

31) Related Party Disclosures: -

Related party disclosures as required by (AS-18) "Related Party Disclosures" are given below:

I. Relationships: -**(a) Key Management Personnel: -**

Mr. M. Y. Noorani -- Chairman

Mr. A. Y. Noorani -- Vice Chairman and Managing Director

Mr. S. Y. Noorani -- Managing Director and President

(b) Other Related Parties:-

i. The enterprises where control of key management personnel and/or their relatives exist and with whom the transactions have taken place : -

Zodiac Metropolitan Clothing Gmbh

Asia Tangible Investments Pte. Ltd.

Metropolitan Trading Company

Montage Corporation

Munraz Enterprises

Mariambai & Haji Noor Mohamad Noorani Foundation Trust

Mustang Manufacturing Company

Mashal Enterprises

Elite Clothing Co. Pvt Ltd

Euro Global Holding Pte Ltd

Onward LLC

Zodiac UAE LLC

Miraj Marketing Company LLP

ii. Relatives of key management personnel with whom the transactions have taken place : -

Mr. Awais A. Noorani

Mr. Musaed A. Noorani

Mrs. Muna A. Noorani

Mrs Zehra S. Noorani

Mrs Saniyya A. Noorani

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

II. The following transactions were carried out with the related parties in the ordinary course of business.

(Previous year figures are in brackets)

	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Sale of Goods			
Onward LLC	- (-)	190,142,057 (129,382,911)	190,142,057 (129,382,911)
Mashal Enterprises	- (-)	6,916,651 (6,449,383)	6,916,651 (6,449,383)
Zodiac Metropolitan Clothing Gmbh	- (-)	223,482,776 (196,962,310)	223,482,776 (196,962,310)
Rent Income			
Metropolitan Trading Company	- (-)	850,000 (-)	850,000 (-)
Zodiac Metropolitan Clothing GmbH	- (-)	3,696,051 (3,608,718)	3,696,051 (3,608,718)
Purchases of Goods and Materials			
Zodiac Metropolitan Clothing GmbH	- (-)	- (611,005)	- (611,005)
Onward LLC	- (-)	196,633,129 (145,456,100)	196,633,129 (145,456,100)
Interest Paid			
Elite Clothing Co. Pvt. Ltd.	- (-)	- (990,095)	- (990,095)
Mr. M. Y. Noorani	28,187 (9,875)	- (-)	28,187 (9,875)
Mr. A. Y. Noorani	2,720 (1,785)	- (-)	2,720 (1,785)
Mr. S. Y. Noorani	20,749 (8,575)	- (-)	20,749 (8,575)
Export Claim Paid			
Zodiac Metropolitan Clothing GmbH	- (-)	6,016,880 (17,534,982)	6,016,880 (17,534,982)
Business Promotion expenses			
Zodiac Metropolitan Clothing GmbH	- (-)	- (14,165,073)	- (14,165,073)
Trade Mark fees Expense			
Metropolitan Trading Company	- (-)	21,696,459 (21,628,458)	21,696,459 (21,628,458)
Rent Expense			
Metropolitan Trading Company	- (-)	24,737,347 (9,662,073)	24,737,347 (9,662,073)

(Previous year figures are in brackets)

	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Mustang Manufacturing Company	- (-)	708,000 (207,600)	708,000 (207,600)
Munraz Enterprises	- (-)	2,168,544 (388,800)	2,168,544 (388,800)
Montage Corporation	- (-)	72,000 (70,824)	72,000 (70,824)
Miraj Marketing Company LLP	- (-)	1,213,488 (1,213,488)	1,213,488 (1,213,488)
Mr. A.Y. Noorani	2,046,079 (473,700)	- (-)	2,046,079 (473,700)
Mr. S.Y. Noorani	2,046,079 (473,700)	- (-)	2,046,079 (473,700)
Mr. M.Y. Noorani	678,000 (133,056)	- (-)	678,000 (133,056)
Salary Paid			
Mr. Awais A. Noorani	- (-)	5,264,962 (6,467,524)	5,264,962 (6,467,524)
Expenses Recovered			
Mashal Enterprises	- (-)	707,191 (842,190)	707,191 (842,190)
Munraz Enterprises	- (-)	- (2,500)	- (2,500)
Metropolitan Trading Company	- (-)	54,826 (1,452,114)	54,826 (1,452,114)
Zodiac Metropolitan Clothing GmbH	- (-)	- (8,866,177)	- (8,866,177)
Onward LLC	- (-)	3,481,800 (1,220,819)	3,481,800 (1,220,819)
Recovery of Freight and Insurance on Sales			
Zodiac Metropolitan Clothing GmbH	- (-)	15,492,996 (12,390,481)	15,492,996 (12,390,481)
Onward LLC	- (-)	4,647,671 (3,933,258)	4,647,671 (3,933,258)
Expenses Reimbursed			
Mashal Enterprises	- (-)	15,874 (147,294)	15,874 (147,294)
Montage Corporation	- (-)	- (19,081)	- (19,081)

(Previous year figures are in brackets)

	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Munraz Enterprises	(-)	401,466 (385,148)	401,466 (385,148)
Zodiac Metropolitan Clothing Gmbh	- (-)	3,717,114 (1,553,255)	3,717,114 (1,553,255)
Onward LLC	- (-)	- (3,986,950)	- (3,986,950)
Security deposits given during the year			
Mustang Manufacturing Company	- (-)	40,000 (-)	40,000 (-)
Mr. M. Y. Noorani	230,000 (-)	- (-)	230,000 (-)
Mr. A. Y. Noorani	520,000 (-)	- (-)	520,000 (-)
Mr. S. Y. Noorani	520,000 (-)	- (-)	520,000 (-)
Security Deposits Repaid during the year			
Metropolitan Trading Company	- (-)	810,000 (-)	810,000 (-)
Munraz Enterprises	- (-)	500,000 (-)	500,000 (-)
Loans Repaid by			
Zodiac Metropolitan Clothing Gmbh	- (-)	- (190,248,811)	- (190,248,811)
Loan Paid to			
Zodiac Metropolitan Clothing Gmbh	- (-)	- (124,539,894)	- (124,539,894)
Loans Taken From			
Mr. M. Y. Noorani	- (2,787,387)	- (-)	- (2,787,387)
Mr. A. Y. Noorani	- (2,778,606)	- (-)	- (2,778,606)
Mr. S. Y. Noorani	- (2,784,717)	- (-)	- (2,784,717)
Loan Repaid to			
Mr. M. Y. Noorani	1,108,500 (1,670,000)	- (-)	1,108,500 (1,670,000)
Mr. A. Y. Noorani	117,000 (2,660,000)	- (-)	117,000 (2,660,000)

(Previous year figures are in brackets)

	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Mr. S. Y. Noorani	897,000 (1,880,000)	- (-)	897,000 (1,880,000)
Elite Clothing Co Pvt Ltd	- (-)	- (17,675,000)	- (17,675,000)
Dividend Paid (including Interim Dividend)			
Miraj Marketing Company LLP	- (-)	11,820,444 (4,635,468)	11,820,444 (4,635,468)
Asia Tangible Investments Pte.Ltd	- (-)	16,089,898 (6,309,764)	16,089,898 (6,309,764)
Euro Global Holding Pte. Ltd.	- (-)	16,089,898 (6,309,764)	16,089,898 (6,309,764)
Mr. M. Y. Noorani	13,353,014 (5,137,890)	- (-)	13,353,014 (5,137,890)
Mr. A. Y. Noorani	122,732 (38,130)	- (-)	122,732 (38,130)
Mr. S. Y. Noorani	68,003 (16,668)	- (-)	68,003 (16,668)
Mr Awais Noorani	- (-)	383 (150)	383 (150)
Mrs Saniyya Noorani	- (-)	383 (150)	383 (150)
Mr. Musaad A. Noorani	- (-)	383 (150)	383 (150)
Mrs. Muna A. Noorani	- (-)	383 (150)	383 (150)
Mrs. Zehra S.Noorani	- (-)	1,827 (714)	1,827 (714)
Commission Expense			
Zodiac Metropolitan Clothing Gmbh	- (-)	25,415,009 (25,361,310)	25,415,009 (25,361,310)
Remuneration (Including Provident Fund)			
Mr. A.Y. Noorani	6,748,000 (12,400,000)	- (-)	6,748,000 (12,400,000)
Mr. S.Y. Noorani	6,748,000 (12,400,000)	- (-)	6,748,000 (12,400,000)

(Previous year figures are in brackets)

	Key Management Personnel ₹	Other Related Parties ₹	Total ₹
Outstanding amount receivable			
Metropolitan Trading Company	- (-)	16,704,248 (17,505,801)	16,704,248 (17,505,801)
Munraz Enterprises	- (-)	1,000,000 (1,500,000)	1,000,000 (1,500,000)
Mashal Enterprises	- (-)	- (137,894)	- (137,894)
Zodiac Metropolitan Clothing Gmbh	- (-)	33,776,340 (62,724,924)	33,776,340 (62,724,924)
Onward LLC	- (-)	94,467,118 (89,439,277)	94,467,118 (89,439,277)
Zodiac UAE LLC	- (-)	806,169 (809,705)	806,169 (809,705)
Mr. A. Y. Noorani	945,000 (425,000)	- (-)	945,000 (425,000)
Mr. S. Y. Noorani	945,000 (425,000)	- (-)	945,000 (425,000)
Mr. M. Y. Noorani	360,000 (130,000)	- (-)	360,000 (130,000)
Mustang Manufacturing company	- (-)	250,000 (210,000)	250,000 (210,000)
Outstanding amount payable			
Onward LLC	- (-)	15,313,865 (16,026,819)	15,313,865 (16,026,819)
Mr. A. Y. Noorani	1,376,088 (12,683,359)	- (-)	1,376,088 (12,683,359)
Mr. S. Y. Noorani	1,376,088 (13,469,470)	- (-)	1,376,088 (13,469,470)
Mr. M. Y. Noorani	230,000 (1,117,387)	- (-)	230,000 (1,117,387)
Metropolitan Trading Company	- (-)	613,315 (836,948)	613,315 (836,948)
Zodiac Metroplitan Clothing Gmbh	- (-)	5,001,472 (11,994,615)	5,001,472 (11,994,615)
Mashal Enterprises	- (-)	107,016 (-)	107,016 (-)

32) (i) Primary Segment

The company has identified two reportable segments namely Business of Clothing And Clothing Accessories and Investment. The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Following disclosures are made .

	Particulars	Business of Clothing & Clothing Accessories		Investments		Total	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A	Segment Revenue Gross	3,902,297,158	4,075,831,148	37,281,566	35,248,159	3,939,578,724	4,111,079,307
	Less : Excise Duty	-	5,487,124	-	-	-	5,487,124
	Segment Revenue (Net of Excise Duty)	3,902,297,158	4,070,344,024	37,281,566	35,248,159	3,939,578,724	4,105,592,183
	Other Income					57,997,760	33,865,308
	Total Segment Revenue					3,997,576,484	4,139,457,491
B	Segment Profit before tax	45,967,006	251,054,640	22,759,714	20,422,899	68,726,720	271,477,539
	Other Income					57,997,760	33,865,308
	Exceptional Item (Income)					-	-
	Total Profit before tax					126,724,480	305,342,847
C	Segment Assets	3,301,902,165	3,255,342,964	657,278,863	633,711,286	3,959,181,028	3,889,054,250
D	Segment Liabilities	1,193,915,906	1,179,089,397	91,404,026	107,067,090	1,285,319,932	1,286,156,487
E	Capital Expenditure	210,595,152	162,867,923	-	-	210,595,152	162,867,923
F	Segment Depreciation	95,109,456	95,442,209	9,536,724	9,589,806	104,646,180	105,032,015
G	Segment Non Cash Expenditure other than Depreciation	25,773,158	32,409,418	-	-	25,773,158	32,409,418

(ii) Geographical Segment:-

Geographical Segment is identified as secondary segment and given below: -

Particulars	Current year (₹)			Previous Year (₹)		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue (Net)	1,920,608,188	2,018,970,536	3,939,578,724	2,140,063,929	1,965,528,254	4,105,592,183
Carrying Cost of Segment Asset	3,023,324,001	935,857,027	3,959,181,028	2,871,515,688	1,017,538,562	3,889,054,250
Capital Expenditure	186,964,681	23,630,471	210,595,152	111,295,704	51,572,219	162,867,923

33) Earnings Per Share: -

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Face value per share (₹)	10	10
(b) Weighted Average No. of Shares		
(i) For Basic EPS	19,423,375	19,389,998
(ii) For Diluted EPS	19,494,295	19,389,998
(c) Net Profit for the year attributable to equity shareholders (₹)	90,199,835	220,009,529
(d) Basic Earnings Per Share (₹) (c / b(i))	4.64	11.35
(e) Diluted Earnings Per Share (₹) (c / b(ii))	4.63	11.35

34) Under the Zodiac Clothing Company Limited Employees Stock Option Plan 2006 the Company had granted 864,000 (adjusted for bonus issue) options to its eligible employees in two Grants up to the year ended March 31, 2015, the details are as follows:

(a) Employees Stock Option Scheme:

Particulars	Grant I	Grant II
Nos. of Options Granted (After considering impact of Bonus issued on 28 th September, 2011)	462,975	401,025
Method of Accounting	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting	Graded Vesting
1st year	30%	30%
2nd year	30%	30%
3rd year	40%	40%
Exercise Period	3 Years from the date of Vesting	3 Years from the date of Vesting
Grant Date	27.12.06	20.01.11
Grant Price (₹ per share)	255.40	346.00
Market Price on the date of Grant of Option (₹)	255.40	346.00
Discount on Average Price	Nil	Nil

(b) Movement of Options Granted:

Particulars	Grant I	Grant II
Outstanding at the beginning of the year	Nil	349,575
Granted during the year	Nil	Nil
Exercised during the year*	Nil	121,201
Cancelled / Lapsed during the year	Nil	23,048
Forfeited during the year	Nil	Nil
Outstanding at the end of the year	Nil	205,326

* (Options outstanding is adjusted for rounding off effect due to bonus options granted to employees for bonus declared on 28th September 2011)

(c) **Employees Stock Option Scheme:**

Particulars	Grant I	Grant II
Exercisable at the beginning of the year	Nil	349,575
Vested during the year	Nil	Nil
Exercised during the year*	Nil	121,201
Cancelled / Lapsed during the year	Nil	23,048
Options exercisable at the end of the year	Nil	205,326
* (Options outstanding is adjusted for rounding off effect due to bonus options granted to employees for bonus declared on 28 th September 2011)		

- (d) The Company has followed the intrinsic value-based method of accounting for stock options granted based on Guidance Note on Accounting for Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 Issued by Securities and Exchange Board of India (SEBI). As the exercise price of the option granted is based on the market price as on the date of the Grant, the intrinsic value of the option is Nil.

(e) **Fair Valuation:**

The fair value of options used to compute proforma net income and earnings per equity share have been done by an independent firm of Valuers on the date of grant using the Black-Scholes Model.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant are:

	Grant 1	Grant 2
1 Risk Free Rate	Year 1 - 7.67 %	Year 1 - 8.10 %
	Year 2 - 7.62 %	Year 2 - 8.10 %
	Year 3 - 7.59 %	Year 3 - 8.10 %
2 Option Life	Year 1 - 2.5yrs	Year 1 - 2.5yrs
	Year 2 - 3.5yrs	Year 2 - 3.5yrs
	Year 3 - 4.5yrs	Year 3 - 4.5yrs
3 Expected Volatility	Year 1 - 45.22 %	Year 1 - 50.58 %
	Year 2 - 50.51 %	Year 2 - 61.45 %
	Year 3 - 51.13 %	Year 3 - 56.05 %
4 Expected Dividend Yield	2.49%	1.96%
5 The weighted average fair value of the option, as on the date of grant, works out to	₹ 102.68	₹ 150.44

Had the compensation cost for the stock options granted under ESOS 2006 been determined, based on fair-value approach, the Company's net profit and earnings per share would have been as per the perform amounts indicated below :

Particulars	2014-15	2013-14
Net Profit After Tax (As Reported)	90,199,835	220,009,529
Add: Compensation Expenses under ESOS included in the Net Profit	Nil	Nil
Less: Compensation Expenses under ESOS as per Fair Value	2,311,469	2,033,201
Net Profit After Tax (Fair value basis)	87,888,366	217,976,328
Basic Earning Per Share (Reported) - ₹ / Share	4.64	11.35
Basic Earning Per Share (Fair value basis)- ₹ / Share	4.52	11.24
Diluted Earning Per Share (Reported) - ₹ / Share	4.63	11.35
Diluted Earning Per Share (Fair value basis) – ₹ / Share	4.51	11.24

35) Derivative Financial Instruments

- a) The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts and out of the money option contracts to manage its exposure in foreign exchange rates. The counter parties are a bank. These contracts are for a period between one day and twelve months.

- (i) The following are outstanding Foreign Exchange Forward contracts and option, as on March 31, 2015

Sr No	Currency	Buy / Sell	Cross Currency	Nature of Contracts	Amount in foreign currency	
					Current Year	Previous Year
1	USD	SELL	INR	Forwards	1,509,000	3,564,231
2	GBP	SELL	USD	Forwards	568,700	1,251,500
3	GBP	SELL	INR	Forwards	421,000	181,000
4	EURO	SELL	INR	Forwards	112,000	100,000
5	EURO	SELL	USD	Forwards	289,000	494,000
6	CHF	SELL	USD	Forwards	24,000	148,000
7	USD	BUY	INR	Forwards	2,905,777	2,025,777
8	CHF	SELL	INR	Forwards	21,000	-
9	EURO	BUY	USD	Forwards	-	291,000
10	USD	SELL	INR	Option	350,000	1,100,000

- (ii) Net Gain on derivative instruments which have been designated as cash flow hedges of ₹ 4,382,981/- (Previous Year Net gain ₹ 13,275,366/-) recognized in Hedging Reserve as of March 31, 2015, is expected to be reclassified to the Statement of Profit and Loss as and when the same will mature.
- (iii) Net Loss on non derivative financial liabilities in the form of preshipment export credit in foreign currency (PCFC) borrowings of ₹ 4,139/- (Previous year Net gain ₹ 8,407,072/-) recognized in the Hedging Reserve as of March 31, 2015 is expected to be reclassified to the Statement of Profit and Loss as and when the highly probable sales takes place.
- (iv) Exchange Gain of ₹ 13,129,414/- (Previous Year Exchange Loss ₹ 31,421,916/-) has been recognized in the Statement of Profit and Loss for the year ended March 31, 2015.
- b) (i) No derivative instruments are acquired for speculation purposes.
- (ii) Foreign currency exposures that are not hedged by derivative instruments or otherwise are ₹ 45,621,039/- (Previous Year ₹ 31,103,927/-) as given below:

Particulars	Current Year		Previous Year	
	Foreign Currency	Rupees	Foreign Currency	Rupees
Creditors for Goods and expenses	USD 719,253	44,953,449	USD 513,548	30,769,252
	EURO 8,700	584,587	EURO 4,048	334,675
	GBP 767	70,937		
	HKD 1,490	12,066		

36) (I) Disclosure in respect of gratuity liability

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Change in obligations		
Present value of funded benefit obligations as at 1st April, 2014	66,947,241	69,290,499
Current Service Cost	7,010,275	7,866,990
Interest Cost	6,232,788	5,543,240
Benefit Paid	(10,634,695)	(11,600,614)
Actuarial (gain) / loss on obligations	14,260,057	(4,152,874)
Present value of funded benefit obligations as at March 31, 2015	83,815,666	66,947,241
Reconciliation of present value of the fair value of the plan assets		
Fair value of plan assets as at 1st April, 2014	112,446,198	97,098,734
Expected Return on plan assets	10,468,741	8,447,590
Contributions	7,14,230	17,925,833
Benefits Paid	(10,634,695)	(11,600,614)
Actuarial gain / (loss) on plan assets	(690,043)	574,655
Fair value of plan assets as at March 31, 2015	112,304,431	112,446,198
Total Actuarial gain / (loss) recognized	(14,950,100)	4,727,529
Amount Recognised in Balance Sheet		
Present value of obligation	83,815,666	66,947,241
Fair value of plan assets	112,304,431	112,446,198
Liability / (assets)	(28,488,765)	(45,498,957)
Liability / (assets) recognized in the Balance Sheet	(28,488,765)	(45,498,957)
Expenses Recognised in Statement of Profit and Loss		
Current Service Cost	70,10,275	7,866,990
Interest Cost	6,232,788	5,543,240
Expected Return on plan assets	(10,468,741)	(8,447,590)
Net Actuarial (gain) / loss recognised in the current year	14,950,100	(4,727,529)
Past Service Cost	-	-
Expenses Recognised in the Statement of Profit and Loss	17,724,422	235,111
Actuarial assumptions used		
Discount rate	7.96%	9.31%
Expected Return on plan assets	7.96%	9.31%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Future Salary increase	5.00%	5.00%
Attrition	2%	2%
Retirement	60 yrs	60 yrs
Category of Assets		
Insurer Managed Funds	112,304,432	112,446,198

Notes:

- Premium is paid to LIC under Group Gratuity Scheme of LIC.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- iii. The details of experience adjustments on account of Plan Liability and Plan Asset as required by Para 120 (n) (ii) of AS-15 are as under:

Particulars	2014-15 ₹	2013-14 ₹	2012-13 ₹	2011-12 ₹	2010-11 ₹
Plan Assets	690,043	574,655	1,478,137	1,044,844	949,368
Plan Liabilities	4,233,218	3,866,683	1,188,369	3,684,679	492,152

- iv. Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date: ₹ 20,000,000/- (Previous Year ₹ 12,500,000/-).
- v. The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risks of asset management and historical result of the return on plan asset.

(II) Disclosure in respect of leave encashment liability:

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for leave encashment is given below:	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Change in obligations		
Present value of unfunded benefit obligations as at 1 st April, 2014	11,484,339	11,913,814
Current Service Cost	2,173,278	2,414,400
Interest Cost	1,069,192	953,105
Benefit Paid	(2,508,193)	(2,463,717)
Actuarial (gain) / loss on obligations	1,898,860	(1,333,763)
Present value of unfunded benefit obligations as at March 31, 2015	14,166,570	11,484,339
Amount Recognised in Balance Sheet.		
Present value of obligation	14,166,570	11,484,339
Fair value of plan assets	NIL	NIL
Liability / (assets) recognized in the Balance Sheet	14,166,570	11,484,339
Expenses Recognised in Statement of Profit and Loss		
Current Service Cost	2,173,278	2,414,400
Interest Cost	1,069,192	953,105
Expected Return on plan assets	Nil	Nil
Net Actuarial (gain) / loss recognised in the current year	1,947,954	(1,333,763)
Expenses Recognised in the Statement of Profit and Loss	5,190,424	2,033,742
Actuarial assumptions used		
Discount rate	7.96%	9.31%
Expected Return on plan assets	NA	NA
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Future Salary increase	5%	5%
Attrition	2%	2%
Retirement	60 yrs	60 yrs

Note: The above data has been disclosed on the basis of information available with the Group and to the extent such information has been disclosed in the financial statements of the constituents.

- (III)** The Group makes provident fund contributions to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the salary to fund the benefits. Amount recognized as an expense in the statement of profit and loss in respect of defined contribution plan is ₹ 44,480,269 /- (Previous Year ₹ 40,959,338/-)

37) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements in terms of Schedule III to the Companies Act, 2013

		Net assets, i.e., total assets minus total liabilities				Share of profit or loss				(Figures in ₹)
		31 st March 2015		31 st March 2014		31 st March 2015		31 st March 2014		
Sr. No.	Name of the Company	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	
Parent										
1	Zodiac Clothing Company Limited	67.75	1,811,464,024	67.67	1,761,446,620	105.28	94,959,478	67.85	149,265,835	
Subsidiaries										
Indian										
2	Zodiac Finsec and Holdings Ltd	10.35	276,612,491	8.82	229,541,601	45.32	40,880,101	18.85	41,464,992	
Foreign										
3	Zodiac Clothing Co. S.A. - Switzerland	3.85	102,940,732	4.18	108,736,787	70.71	63,783,211	38.77	85,290,320	
4	Zodiac Clothing Co. (UAE) LLC - UAE	21.54	576,069,546	22.22	578,270,602	39.06	35,234,931	24.85	54,683,131	
5	Zodiac Clothing Company Inc - USA	0.01	259,388	0.00	123,976	0.14	127,247	(0.21)	(458,224)	
6	Zodiac Properties Ltd.- R.A.K. (UAE)	(1.46)	(39,127,537)	(1.45)	(37,680,657)	(4.97)	(4,478,971)	(2.52)	(5,548,692)	
Total		102.04	2,728,218,644	101.44	2,640,438,929	255.54	230,505,997	147.58	324,697,361	
Consolidation adjustments			(54,357,548)		(37,541,167)		(140,306,162)		(104,687,833)	
Total Consolidated Net Assets and Profit		100.00	2,673,861,096	100.00	2,602,897,763	100.00	90,199,835	100.00	220,009,529	

38) Excise duty recovered on sales is included in 'Revenue from Operations'. Excise duty in respect of Finished Goods lying in stocks is shown separately as an item of expense and included in valuation of finished goods produced.

39) (a) Gross amount required to be spent by the Group during the year for Corporate Social Responsibility (CSR) :- ₹ 3,752,883

(b) Following are the details of amount spent during the year for CSR :-

(Figures in ₹)

Amount spent during the year on:	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	NIL	NIL	NIL
(ii) On purposes other than (i) above	38,00,000	NIL	38,00,000

40) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.



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