

July 19, 2014

The Chairman
ZODIAC CLOTHING COMPANY LIMITED
Regd. Office : Nyloc House,
254, D-2, Dr. Annie Besant Road,
Worli, Mumbai 400030.

Dear Sir,

Sub: Passing of Resolutions through Postal Ballot

Pursuant to the resolution passed by the Board of Directors of ZODIAC CLOTHING COMPANY LIMITED (hereinafter referred to as ZODIAC) on May 27, 2014, I have been appointed as a Scrutinizer to receive process and scrutinize the postal ballot papers in respect of the Special Resolutions as circulated in the postal ballot notice dated June 9, 2014.

To enable wider participation of shareholders SEBI vide its circular no. CIR/CFD/DIL/6/2012, dated July 13, 2012" as amended by its circular CIR/CFD/POLICY CELL/2/2014 April 17, 2014 a provision under revised clause 35B has been made in the Listing Agreement mandating all Listed Companies listed on National Stock Exchange of India Limited (NSE) & BSE Limited (BSE), to enable e-voting facility also to their shareholders, in respect of those businesses which are transacted through Postal Ballot by such Listed Companies. Since ZODIAC is a listed entity it falls within the requirements as specified in the above mentioned Circular of SEBI, and e-voting has been made applicable to the Company.

ZODIAC accordingly has made arrangements with the System Provider Karvy Computershare Private Limited (hereinafter referred to as KARVY) for providing a system of recording votes of the shareholders electronically through e-Voting. The company has also accordingly made arrangements through its Registrar and Transfer Agent, Karvy Computershare Private Limited herein after referred as (RTA or KCPL) to set up the e-Voting facility on the KARVY e-Voting website <http://www.evoting.karvy.com>. ZODIAC CLOTHING COMPANY LIMITED has also uploaded the resolution together with the explanatory statement on which e-voting is required and for generating Electronic Voting Event Number (EVEN) by the system provider. All necessary formalities in compliance with the requirements specified by KARVY, the system provider, have been done by the Company through its RTA. Necessary instructions in this regard to be followed by the shareholders have also been duly mentioned in the Postal Ballot notice dated June 9, 2014 sent to all the shareholders by Registered / Speed Post and to some, in addition to the above mode by email, wherever email id's were available as detailed elsewhere in this Report. The above activities were completed before June 18, 2014. The Register of Members was made up, for the purpose of dispatch of postal ballot to the shareholders as of June 6, 2014 (cut-off date).



Reference to the Companies Act, 2013	Type and Description of the Special resolutions
<p>(1) Special Resolution pursuant to section 14 and other applicable provisions of the Companies Act, 2013.</p>	<p>(i) "RESOLVED THAT pursuant to and in accordance with the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Incorporation) Rules, 2014 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof), the draft regulations contained in the new set of Articles of Association of the Company, a copy of which is enclosed herewith and available for inspection in the registered office of the Company, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company, as the new set of Articles of Association of the Company."</p> <p>"RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to take all actions and do all such acts, deeds, matters and things as may be necessary, proper or expedient in connection with or incidental to give effect to this resolution."</p>
<p>(2) Special Resolution pursuant to provisions of section 180(1) (a) and other applicable provisions of the Companies Act, 2013.</p>	<p>(i) "RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to create charges, mortgages and/ or hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and with such ranking, whether</p>



exclusive, pari-passu, subservient or otherwise and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the Company, both present and future and/or on the whole or any part of the undertaking(s) of the Company, in favour of the banks, non-banking financial companies, financial institutions and other lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed/ to be availed by way of loan(s) (in Foreign currency and/or rupee currency) and/or debentures (convertible / non-convertible / secured / unsecured) and/or securities in the nature of debts instruments issued/to be issued by the Company (hereinafter 'loans'), from time to time, together with interest, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment/ redemption, remuneration of the Agent(s)/Trustees, all costs, charges, expenses including any increase as a result of devaluation, revaluation, fluctuation in the rates of exchange and all other monies payable by the Company in respect of the said loans in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into or to be entered into between the Company and the Lender(s), Agent(s)/Trustee(s) in respect of such borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board of Directors and the Lender(s), Agent(s) and Trustee(s).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised and it shall always be deemed to have been so authorised to finalise and execute with the Lenders, Agents/ Trustees the requisite agreement, documents, deeds and writings for borrowing and/or for creating the aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby, authorised to do all acts, deeds, matters and things with such modifications as it may deem necessary and expedient in its absolute discretion



	<p>to give effect to this Resolution and to negotiate, finalise and execute such necessary agreement(s) or document(s) and writings as it may deem necessary, proper, desirable or expedient (including, without limitation, to settle any questions, difficulties or doubts that may arise, as it may in its absolute discretion deem fit, and give such customary representations and warranties, together with such indemnities as may be deemed necessary and/or expedient, in their discretion) without requiring any further approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any such document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be."</p>
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I report that the Postal ballot Notice dated June 9, 2014 under Section 110 of the Companies Act, 2013, read with Rule 22 under the Chapter on "Management and Administration" as notified by MCA on March 27, 2014 were despatched to all the shareholders numbering to 3100 by Registered post to 1191 shareholders, and by Speed post to 1878 shareholders and by airmail to 31 shareholders in physical form as per Companies past practice. The Notices sent in physical form was accompanied with self-addressed prepaid Business Reply Envelope before June 18, 2014. In addition to the above, Postal Ballot Notices were also sent via electronic mode by KARVY the system provider to 1525 Shareholders at their email addresses registered with the Depository Participants as per the data downloaded from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on June 6, 2014 (cut-off date). As per the information provided by the System Provider out of the 1525 emails sent 368, emails had bounced. However in view of the fact that Notices were sent through Registered / Speed post as well to all the shareholders no further action was taken for the email bounced cases. I further report that as stated in the Notice sent to the shareholders, the Company had fixed 6:00 P. M. on Friday the 18th July 2014 as the last date for receipt of Postal Ballots and for E-voting.

As stated in sub rule 3 of Rule 20 under the Chapter on "Management and Administration" Rules as notified by MCA on March 27, 2014 an advertisement was published by the Company in "Business Standard", English Newspaper, and "Lokmat", Marathi edition Newspaper, on June 18, 2014, informing about the completion of despatch of the Postal Ballot Notices, both by Speed post, Registered Post and by email, wherever applicable, to the shareholders along with other related matters mentioned therein.



I report that I have received the Postal Ballot forms from the shareholders during the period starting from Wednesday June 18, 2014 till Friday July 18, 2014. All the Postal Ballot forms together with all votes cast by E-voting through KARVY received up to 6:00 P.M. Friday July 18, 2014, being the last date fixed by the Company for receipt of the ballot forms/e-voting, were considered for my scrutiny.

Envelopes (161) containing Postal Ballot forms returned undelivered by postal authorities, were not opened and the details of the same are separately maintained by the Company

The Postal Ballots forms received at the Companies address in the name of the Scrutinizer were opened and then taken up for scrutiny by the Scrutinizer and passed on to the RTA KCPL. This process was carried out on a weekly basis. During the course of scrutiny of Postal Ballot Forms I have not come across any mutilated Postal Ballot Forms, nor any envelopes without any contents.

Since e-Voting facility was provided by KARVY, the details of the e-Voting exercised by the shareholders as also the votes exercised through Postal Ballots, which were duly scrutinized and processed, were duly compiled by the RTA. While the details of the e-Voting was provided by the System Provider namely KARVY, the compilation of the Register, in respect of Postal Ballots containing the statement of shareholder's name, folio number, postal ballot number, number of shares held, number of votes exercised, votes in favour, votes against and those votes which were rejected were generated by the RTA which have been duly scrutinized.

On scrutiny, I report that 8 Shareholders out of 3100 shareholders have exercised their vote through e-Voting and 130 Shareholders have exercised their votes through Postal Ballot Forms, as received. The details of polling results for the item placed for consideration by the members are given below:

(ii) **Item No 1. Special Resolution** "RESOLVED THAT pursuant to and in accordance with the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Incorporation) Rules, 2014 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof), the draft regulations contained in the new set of Articles of Association of the Company, a copy of which is enclosed herewith and available for inspection in the registered office of the Company, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company, as the new set of Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to take all actions and do all such acts, deeds, matters and things as may be necessary, proper or expedient in connection with or incidental to give effect to this resolution."



Total No. of Shareholders	3100		
Total No. of Shares	19389998		
Receipt of Postal Ballot Forms	From June 18, 2014 till July 18, 2014		
		Number of Votes	Number of Shares
Total votes cast through e-Voting	A	8	764922
Total Votes Cast through Postal Ballot Forms Received	B	130	12125875
Grand Total of e-Voting/Postal Ballot Form (A+B)	C	138	12890797
Less: Invalid e-Voting/Postal Ballot Forms *(On account of signature mismatch, for/against option not indicated)	D	7	84
Net e-Voting/ Postal Ballot Forms (C-D)	E	131	12890713

NOTE:

- (i) Invalid Postal Ballot was not taken into account for counting of votes.
(ii) Votes cast in favour or against has been considered on the basis of number of shares held as on the date reckoned for the purpose of postal ballot or the number of shares mentioned in the postal ballot whichever is less

Summary of Postal Ballot

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	11532168	11250918	97.56	11250918	0	100.00	0
Public-Institutional	1814121	692422	38.17	692422	0	100.00	0



holders							
Public- others #	6043709	947373	15.68	947369	4	100.00	0
Total	19389998	12890713	66.48	12890709	4	100.00	0

Percentage of votes cast in favour: 100.00 Percentage of votes cast against: NIL

RESULTS:-

As the number of votes and the number of shareholders who have cast their vote in favour of the Resolutions is more than three times the number of votes cast against, I report that the Special Resolutions under Section 110 of the Companies Act, 2013, and the Companies (Management and Administration) Rules 2014, as set out in the Notice of Postal Ballot dated June 9, 2014 has been passed by the shareholders with requisite majority. The Resolution is deemed to be passed as on July 18, 2014.

- (ii) **Item No 2.** Special Resolution under "RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to create charges, mortgages and/ or hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and with such ranking, whether exclusive, pari-passu, subservient or otherwise and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the Company, both present and future and/or on the whole or any part of the undertaking(s) of the Company, in favour of the banks, non-banking financial companies, financial institutions and other lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed/ to be availed by way of loan(s) (in Foreign currency and/or rupee currency) and/or debentures (convertible / non-convertible / secured / unsecured) and/or securities in the nature of debts instruments issued/to be issued by the Company (hereinafter 'loans'), from time to time, together with interest, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment/ redemption, remuneration of the Agent(s)/Trustees, all costs, charges, expenses including any increase as a result of devaluation, revaluation, fluctuation in the rates of exchange and all other monies payable by the Company in respect of the said loans in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into or to be entered into between the Company and the Lender(s), Agent(s)/Trustee(s) in respect of such borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board of Directors and the Lender(s), Agent(s) and Trustee(s).



RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised and it shall always be deemed to have been so authorised to finalise and execute with the Lenders, Agents/ Trustees the requisite agreement, documents, deeds and writings for borrowing and/or for creating the aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby, authorised to do all acts, deeds, matters and things with such modifications as it may deem necessary and expedient in its absolute discretion to give effect to this Resolution and to negotiate, finalise and execute such necessary agreement(s) or document(s) and writings as it may deem necessary, proper, desirable or expedient (including, without limitation, to settle any questions, difficulties or doubts that may arise, as it may in its absolute discretion deem fit, and give such customary representations and warranties, together with such indemnities as may be deemed necessary and/or expedient, in their discretion) without requiring any further approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any such document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be."

Total No. of Shareholders	3100		
Total No. of Shares	19389998		
Receipt of Postal Ballot Forms	From June 18, 2014 till July 18, 2014		
		Number of Votes	Number of Shares
Total votes cast through e-Voting	A	8	764922
Total Votes Cast through Postal Ballot Forms Received	B	130	12125875
Grand Total of e-Voting/Postal Ballot Form (A+B)	C	138	12890797
Less: Invalid e-Voting/ Postal Ballot Forms *(On account of signature mismatch, for/against option not indicated)	D	8	24926 *
Net e-Voting/ Postal Ballot Forms (C-D)	E	130	12865871



NOTE:

- (i) Invalid Postal Ballot was not taken into account for counting of votes.
(ii) Votes cast in favour or against has been considered on the basis of number of shares held as on the date reckoned for the purpose of postal ballot or the number of shares mentioned in the postal ballot whichever is less
(iii) There is one electronic vote where a shareholder has cast his vote for 2 shares lesser than his holding.

Summary of Postal Ballot

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	11532168	11250918	97.56	11250918	0	100.00	0
Public-Institutional holders	1814121	692422	38.17	0	692422	0	100.00
Public-others #	6043709	922531	15.26	922277	254	99.97	.03
Total	19389998	12865871	66.35	12173195	692676	94.62	5.38

Percentage of votes cast in favour: 94.62 Percentage of votes cast against: 5.38

RESULTS:-

As the number of votes and the number of shareholders who have cast their vote in favour of the Resolutions is more than three times the number of votes cast against, I report that the Special Resolutions under Section 110 of the Companies Act, 2013, and the Companies (Management and Administration) Rules 2014, as set out in the Notice of Postal Ballot dated June 9, 2014 has been passed by the shareholders with requisite majority. The Resolution is deemed to be passed as on July 18, 2014.

I further report that as per the Postal Ballot Notice dated June 9, 2014 and the Board Resolution dated May 27, 2014, the Chairman or any Director may declare and confirm the above results of voting by postal ballot in respect of the resolution referred herein within two days i.e., by July 21, 2014. The same will be displayed at the registered office of the Company located at Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai 400030. The results will also be published in the Newspapers and communicated to BSE and NSE where the Company's shares are listed. It will also be displayed on Company's website www.Zodiac Clothing Company Limited.com.



I further report that as per Rule 22 of the Companies (Management and Administration) Rules 2014, the Company has been duly complied with. I further report that as per the said Rules, the records maintained by me including the data as obtained from KARVY, the System Provider for the e-Voting facility extended by them as also the RTA recording the consent or otherwise received from the shareholders, voting through postal ballot, which includes all the particulars of the shareholders such as the name, folio number / DP ID/Client ID, number of shares held, number of shares voted and number of shares assented, number of shares dissented, number of shares rejected, ballot papers and other related papers are in my safe custody which will be handed over to the Company Secretary of the Company after the Chairman considers, approves and signs the minutes of the meeting.

I thank you for the opportunity given to act as a Scrutinizer for the above Postal Ballot.

Thanking You
Yours faithfully,

For BN & Associates
COMPANY SECRETARY



B Narasimhan (Proprietor)
COP No. : 10440

Place: Mumbai

Dated: July 19, 2014