



Biella

Light Weight Pure Wool Jodhpuris.

YOU WILL NEVER LOOK AT SUITS
THE SAME WAY AGAIN.

ZODIAC
FINEST QUALITY CLOTHING

Background

- ◆ Promoted by Mr. M Y Noorani, the House of Zodiac commenced operations in 1954 with neckties. It diversified into manufacturing of men's shirts in the 1960's. Was listed in 1994 as Zodiac Clothing Co. Ltd*.
- ◆ Today, ZCCL* is vertically integrated from design to retail, is highly de-risked and powered by 3 outstanding men's clothing brands at the premium end of the segment: Zodiac, ZOD! & Z3
- ◆ ZCCL has 3 businesses:
 - (a) Branded Business: Across India and the Middle East
 - (b) Own Retail: Currently 131 COCO {company owned company managed} stores which are growing aggressively & profitably. This includes our web-store.
 - (c) Design driven International business for leading brands & retailers in the US, EU, the UK, with a small presence in Latin America and the Middle East.
- ◆ Extensive branded business product portfolio: Super fine, light weight suits, jackets & trousers in pure wool & 100% linen; Jodhpuris in pure wool; premium shirts in long staple, Egyptian cotton; woven silk ties & men's fine accessories like cufflinks, belts, wallets, pochettes, handkerchiefs, socks & leather shoes.
- ◆ ZCCL has been consistently profitable with an un-interrupted dividend record in line with best practices on pay out ratio across industries ever since listing.

Financial Summary (Consolidated)

	FY-2015	H1:15-16
Revenues	Rs 39395 Lac	Rs. 8575 Lac
EBIDTA	Rs. 1983 Lac	Rs. -81 Lac
Net Income	Rs. 902 Lac	Rs. -651 Lac
EPS	Rs. 4.64	Rs. -3.34*

* Not annualized

Market Statistics

Share Price (Nov 13th, 2015) : Rs 264
 Market Capitalization : Rs 51589 Lac
 Enterprise Value : Rs 55561Lac

Snapshot of Drivers of Growth

Portfolio of strong brands
Design driven value added products
Marketing led strategy & a strong distribution network
Brand extensions and Product extensions

Branded Business

Across India and
the Middle East

Own Retail Business

131 COCO
company owned & company
managed stores.
Being grown
aggressively & profitably

Design Driven

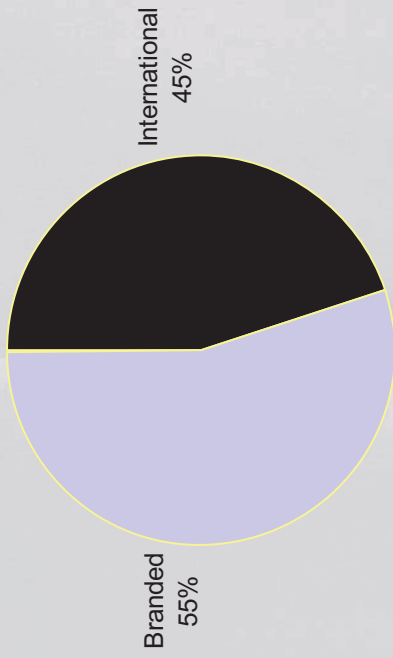
International Business

With leading global brands
and retailers

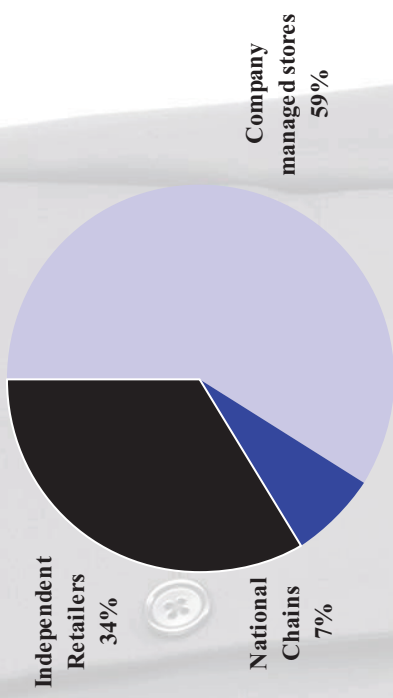
- ◆ Vertically integrated (from design to retail) & committed to manufacturing excellence, with simultaneous focus on quality and productivity.
- ◆ Best practices of Corporate Governance & prudent financial policies
- ◆ Focus on profitability with proven track record of consistently achieving strong cash flows.
- ◆ Highly de-risked business model – stood the test of time and economic cycles repeatedly.

Sales Break up

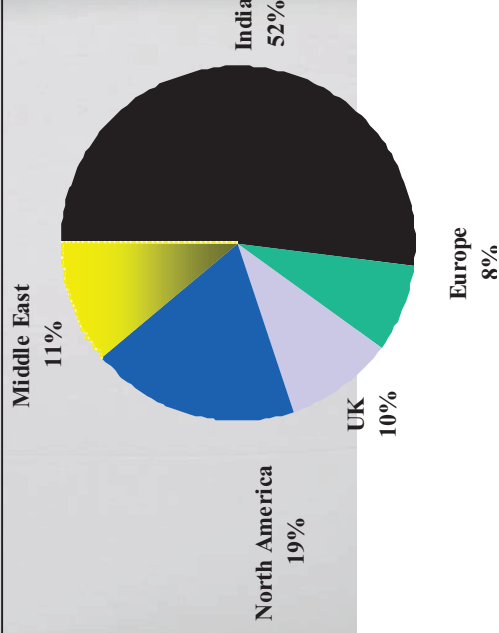
Branded / International Sales Split Q1 15-16 (Standalone)



Channelwise Branded Sales Split



Geographical Sales Split (Consolidated)



Emphasis on aggressive growth of Branded Business & Own Retail in India

ZCCL: Design Driven Philosophy

- ◆ Our Mumbai office has an Italian inspired, state of the art Design Studio, with a team of over 15 trained designers constantly networking with our international offices and attending trade shows overseas
- ◆ We have our own offices in 3 fashion capitals of the world - London, Duesseldorf, and New York headed and run by local industry professionals with considerable experience in design
- ◆ ZCCL designs its own collections in line with international fashion trends across the different segments of men's clothing, offering the consumer for its branded products cutting edge fashion and its International customers possibility to outsource design.

ZCCL: Manufacturing Excellence

- ◆ Our state of the art and modern automated manufacturing plants are located in Karnataka & Gujarat (India) and Dubai (UAE).
- ◆ Capacity to produce over 7 mn shirts per annum. We successfully manufacture extremely high work content/ value added products.
- ◆ ZCCL currently employs approx 4,000 people across the company

Location	Product	Capacity (in mn pcs)
Bangalore (Karnataka)	Shirts	4.3
Bangalore (Karnataka)	Trousers	0.5
Dist.Valsad (Gujarat)	Shirts	0.7
Dist.Valsad (Gujarat)	Socks	1.0
Dubai (UAE)	Shirts	2.0

ZCCL: Marketing Led Strategies: ZODIAC

- ◆ ZODIAC – a premium, classic, men’s wear brand, of the longest standing in India
 - The brand is positioned for the classic yet contemporary male’s wardrobe
 - ZODIAC’s product range has fine wool & pure linen suits & trousers, pure wool Jodhpuris, shirts crafted from the finest cotton with woven silk ties to match. All accessorised with silk pochettes, sterling silver & rhodium finished cufflinks set with semi precious stones and fine leather belts.
 - The brand is retailed across more than 1300 counters in India

ZODIAC
FINEST QUALITY SHIRTMAKERS

Our Signature:



The *T*rinity Button.

Patented, Mother of Pearl three hole buttons.
The hallmark of finest quality.

The House of Zodiac has consistently focused on providing luxury, quality and value to discerning Indian customers.

Driven by a passion for excellence, Zodiac is the undisputed leader in design innovation, delivering classic style and an up to date elegance in all its products.

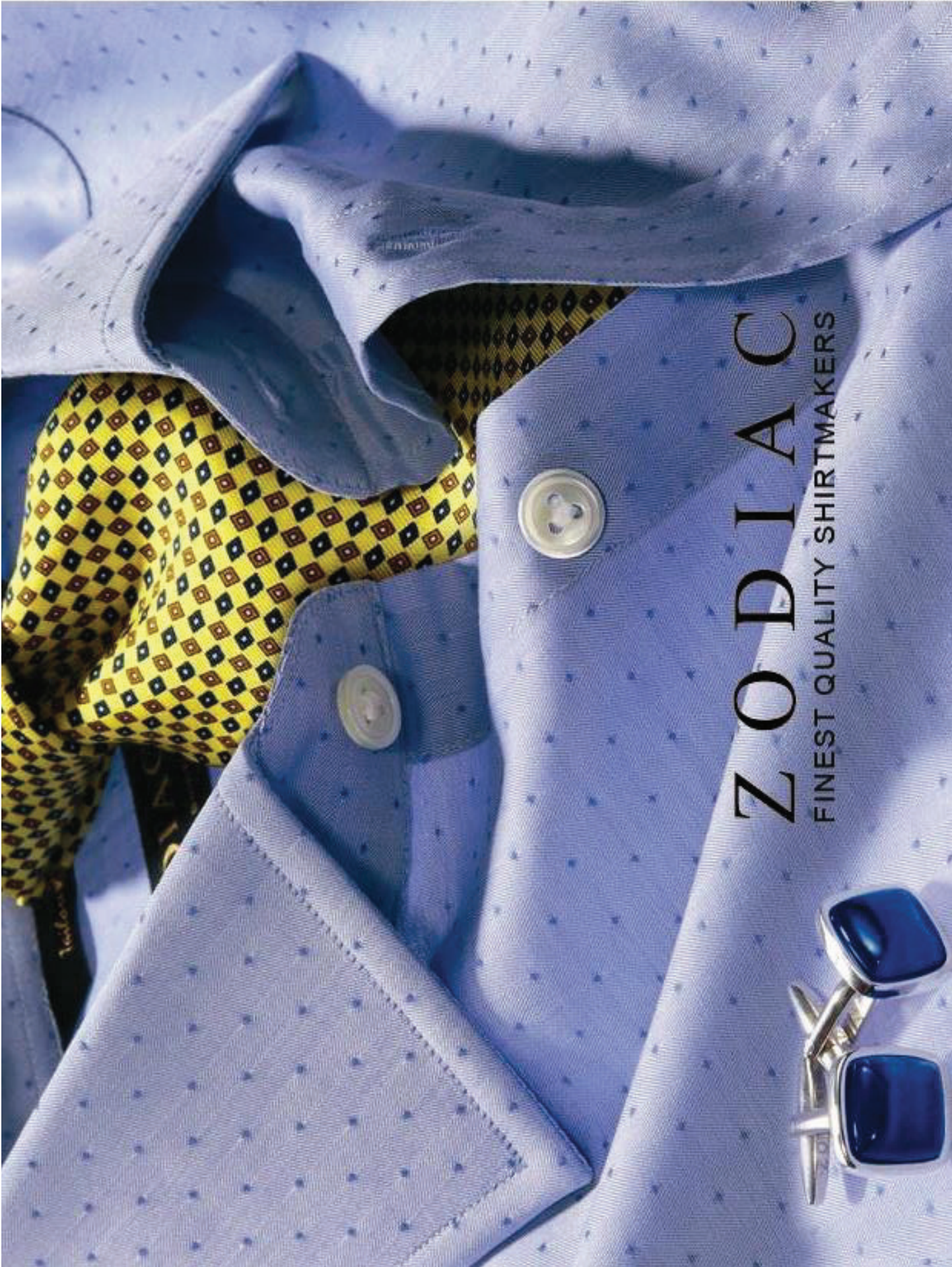
Each Zodiac product, no matter how small or great, is crafted with meticulous attention to detail, and is a testament to the very essence of Zodiac.



Vicenza



Pure Silk



ZODIAC

FINEST QUALITY SHIRTMAKERS



Pure Leather Accessories



Pure Silk Pocket

ZCCL: Marketing Led Strategies... ZOD! Club Wear

- ◆ ZOD! – a trendy, fashionable casual wear brand launched in 2002.
 - Positioned as Club Wear and enjoys the first – mover advantage. We actually created this category in India.
 - ZOD! is targeted at socially active, young males who want to dress trendily when they step out in the evening.
 - Offers a range of trendy shirts & skinny ties. The ZOD! line is high on design content and in tune with fashion trends internationally.
 - Available across India, the brand is retailed thru more than 1000 counters from Jammu to Trivandrum and from Bhuj to Shillong
 - ZOD! captures the young male's attention and brings him into a Zodiac Store. Eventually this consumer will graduate to formal shirts or smart casual wear when (depending on his work requirement)hence will move to Zodiac or Z3



ZCCL: Marketing Led Strategy...

Z3 – Relaxed Luxury

- ◆ Z3 our recently launched casual wear brand
- Launched in April 2008 just before the world wide down turn & really got a fillip in 2010 post the economic revival in India
- We are now enjoying a wide base of users especially those that do not wear a crisp, formal shirt & a tie to work (Software, Media & Advertising executives and self-employed businessmen)
- All Z3 shirts, chinos & boxer shorts are given our “Trademark Vintage Wash” for an incredibly super-soft hand feel – which is the USP of Z3
- The casual, relaxed look is achieved by a lightly puckered collar and plackets coupled with removable collar bones
- Currently Z3 is available at almost 850 counters nationally and growing fast
- Ranked # 6 nationally by Business Standard in a list of Most Successful Brand Launches of 2008

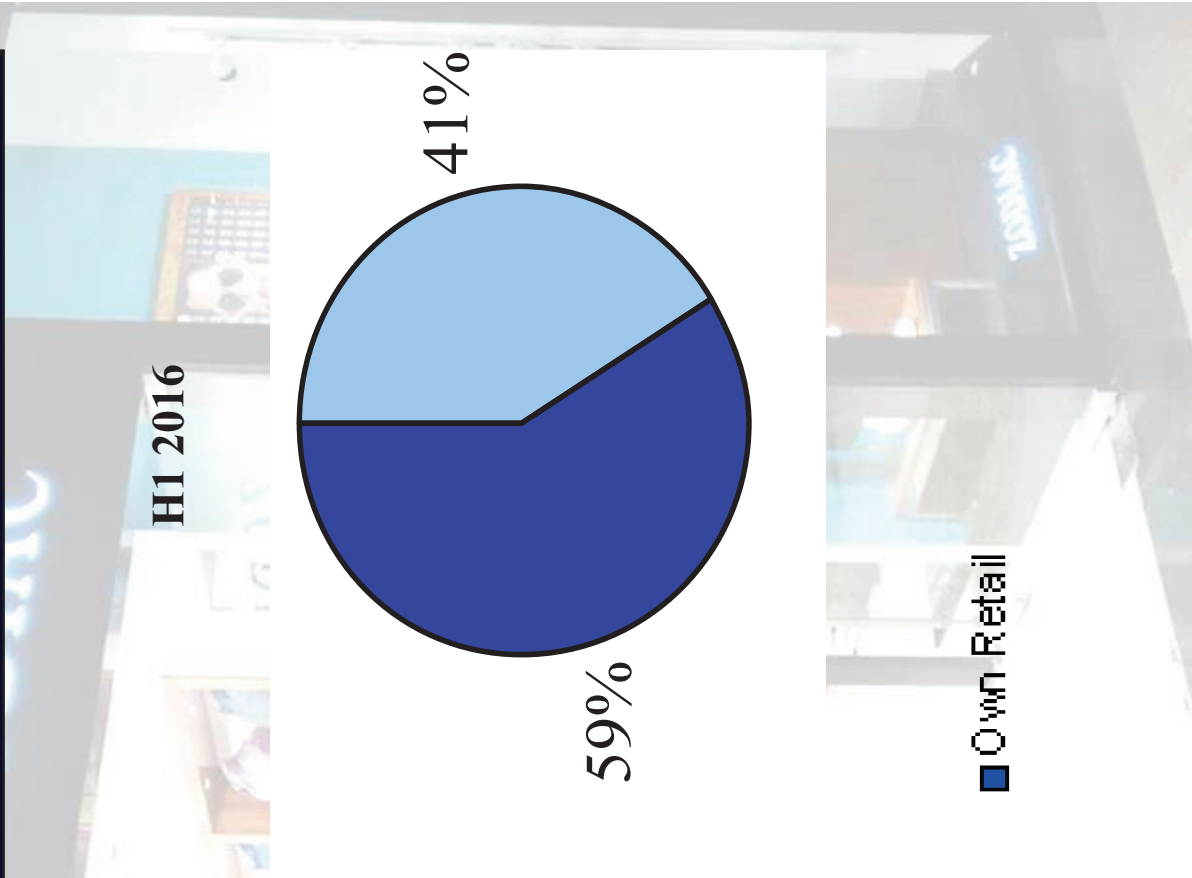
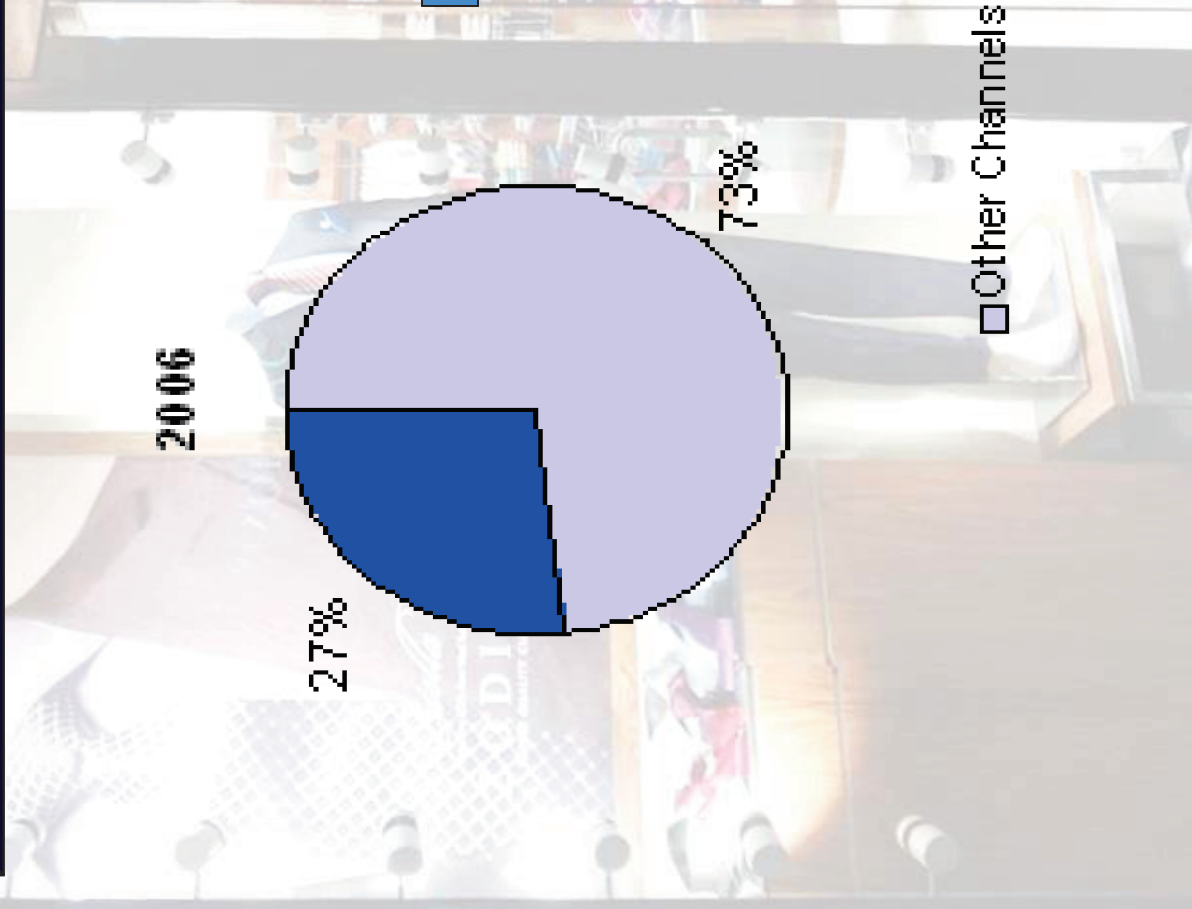


ZCCL: Retail Focus

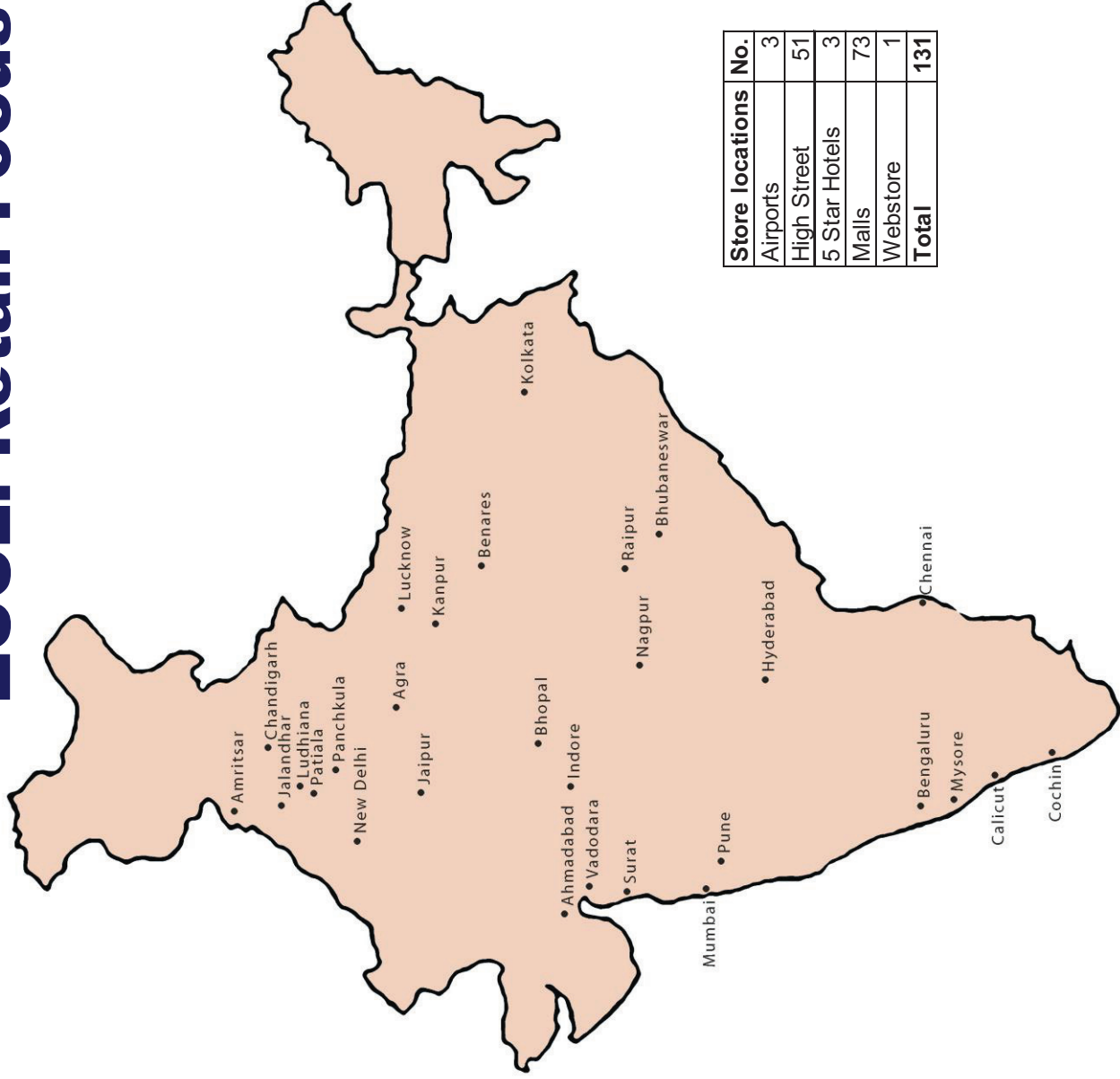
- ◆ ZCCL opened its first store at the Taj Mahal Hotel in 1973 and this was the beginning of a retail store strategy to open stores at premium locations across India
- ◆ Aggressive scaling up of stores at the right locations ensure a large footfall of premium customers despite volatility in demand
- ◆ Our stores built to European design, offer a truly international shopping experience.
- ◆ Today, we have 131 COCO {company owned company managed} stores across:
 - **High street locations:** To name a few .. Khan Market, South Ext & CP in New Delhi, Linking Road in Mumbai, KNK Road, Nungambakkam in Chennai, Chowranghee in Kolkatta & Sector 17 in Chandigarh...
 - **Premium Hotels:** The Taj Mahal, Oberoi Trident & The Grand Hyatt in Mumbai
 - **Premium Malls:** Mumbai: In Orbit Malad & Vashi, Infinity, Phoenix & CR2 **Delhi:** DLF, Select City Walk & Unitech **Hyderabad:** GVK & In Orbit **Chennai:** Citi Centre, Ampa Mall, Express Mall **Bangalore:** Forum **Kolkata:** City Centre & South City among others
- **Departure Terminals:**
 - **Mumbai Airport (International & Domestic)**
 - **T3 at Delhi Airport**

ZCCL: Retail Focus

Growing Contribution of Own Retail to Branded Business



ZCCL: Retail Focus



Store locations	No.
Airports	3
High Street	51
5 Star Hotels	3
Malls	73
Webstore	1
Total	131

S. No	North	Store Count
1	Delhi NCR	26
2	Chandigarh	3
3	Dehradun	1
4	Jalandhar	1
5	Ludhiana	3
6	Amritsar	2
7	Patiala	1
8	Bhatinda	1
9	Varanasi	1
10	Lucknow	2
11	Kanpur	1
12	Bareilly	1
13	Jammu	1
14	Srinagar	1
East		
1	Kolkata	6
2	Siliguri	1
3	Ranchi	1
4	Bhubanes	1
5	Patna	1
6	Guwahati	1
West		
1	Mumbai	26
2	Surat	2
3	Baroda	3
4	Ahmedaba	1
5	Jaipur	2
6	Pune	4
7	Nashik	1
8	Nagpur	2
9	Indore	2
10	Bhopal	2
11	Raipur	2
12	Hyderabad	5
13	Vijaywada	2
14	Jabalpur	1
South		
1	Bangalore	8
2	Chennai	5
3	Kochi	4
4	Calicut	2
Webstore		1
Total		131

Linking Road: Mumbai

ZODIAC

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ZODIAC



World Trade Park: Jaipur



ZCCL: De- Risking

- ◆ The drive to de-risk the business has been consistent.
- ◆ Over 75% of ZCCL's production is pre-sold
 - ◆ International Orders backed by LC or insured
 - ◆ Branded business orders for MBO & LFS backed with advance cheques
- ◆ Multi-segment: Branded, Own Retail and Design Driven International business.
- ◆ Multi-product: Premium Suits, Shirts, Trousers, Ties, Cufflinks, Shoes, Belts Socks & Hankies
- ◆ Multi-brand: Zodiac, ZODI & Z3. Each catering to a separate segment of men's clothing
- ◆ Multi-market exposure has insulated to a large extent the effect of global crises – our markets are
 - India
 - North America: The USA and Canada
 - The European Union, the UK and other West European countries
 - Latin America & The Middle East
- ◆ Multi-channel: Independent retailers, national chains and own stores + leading international brands & retailers
- ◆ Multi-location manufacturing facilities including a facility in the UAE
- ◆ Conservative approach to financial leverage
- ◆ Insurance of international receivables with a renowned international insurer
- ◆ Forex policy designed by respected Industry expert & controlled by Sub Committee of the Board which is chaired by an independent director

ZCCL
FINEST QUALITY SHIRTMAKERS

Financial Snapshot (Consolidated)

Income Statement

(Rs in lacs)	Year ended March 31			6 months ended Sept 30, 2015	
	2013	2014	2015	2015	2016
Revenue	359,98	41,065	39,395	19460	17284
% growth	-4.65%	14.00%	-4.07%		
EBITDA	3,130	4,014	1,983	1154	-644
% margin	9.14	10.32	5.30	6.21 %	-3.93%
Net Income	1,401	2,200	902	516	-651
% margin	4.01	5.65	2.40	2.78%	-3.97%

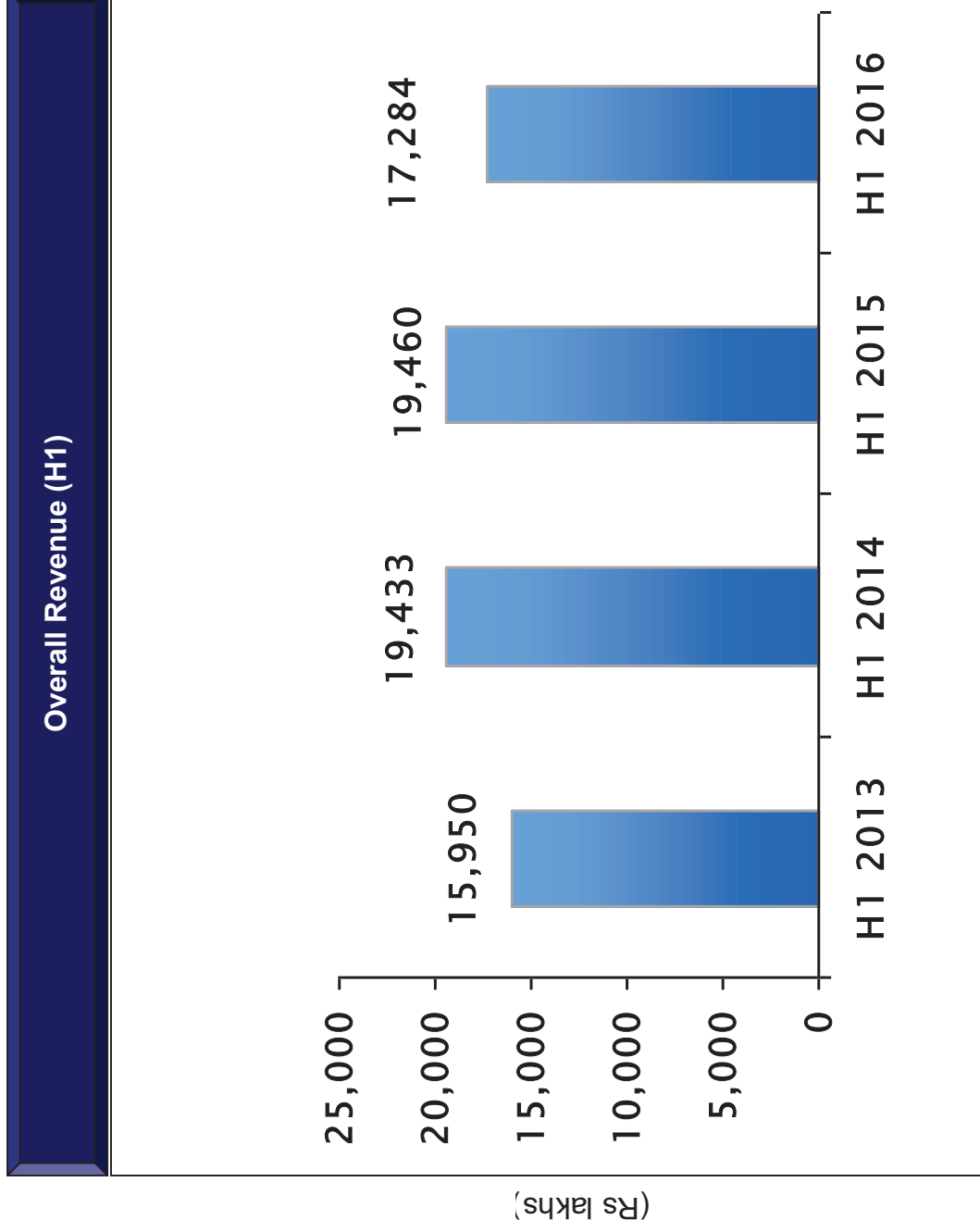
Balance Sheet

(Rs in lacs)	Year ended March 31			6M ended Sept 30	
	2013	2014	2015	2015	2016
Total Debt	5,460	4,827	5,684	5,914	6,242
Shareholder's Equity (2)	24,220	26,029	26,739	26,713	26,465
Cash & Equivalent	3,162	3,820	3,194	3,077	2,270
Investments (1)	1,409	1,887	2,295	2,127	2,407
Inventory	7,530	7,734	8,189	8,736	7,881
Debtors	3,910	4,176	4,272	3,723	3,831
CAPEX	1,387	1,469	1,844	950	890
EPS	7.26	11.35	4.64	2.66	-3.34
Inventory (no of days sales)	80	73	97	85	88
Debtors (no of days sales)	42	39	51	37	43
ROCE	5.52%	7.13%	2.78%	1.58%	-1.99%
RONW	5.78%	8.45%	3.37%	1.93%	-2.46%
Debt Equity	0.23	0.19	0.21	0.22	0.24

(1) Include 17.14 lakh shares of Shoppers Stop Ltd at a holding cost of Rs 868 lakhs (Excludes investment in London property)

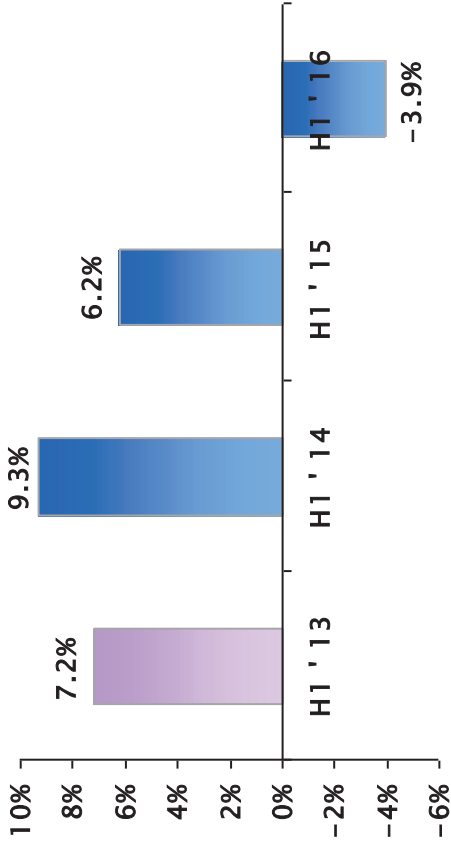
(2) Includes bonus shares issued in the ratio of 1:1 in October 2005 and 1:2 in Aug'10 and again in Sept'11.

Performance over the last 4 years (Consolidated)

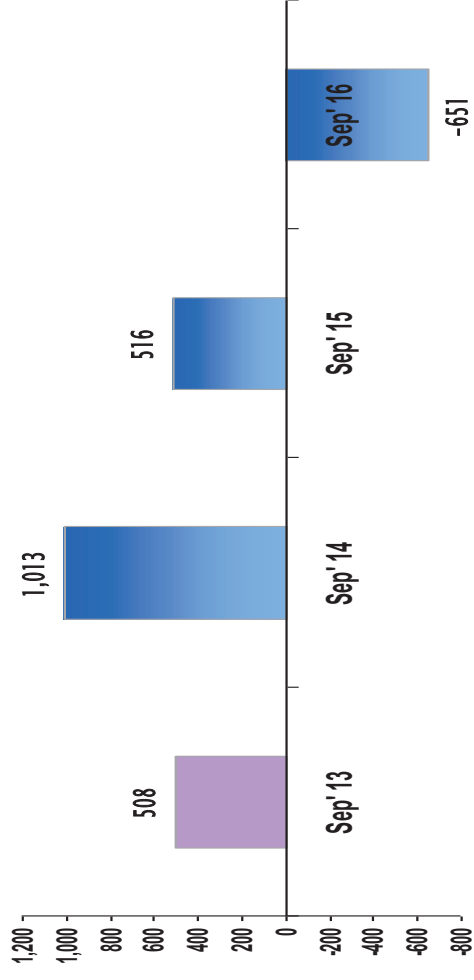


Consolidated Performance

H1 EBITDA margin (%)

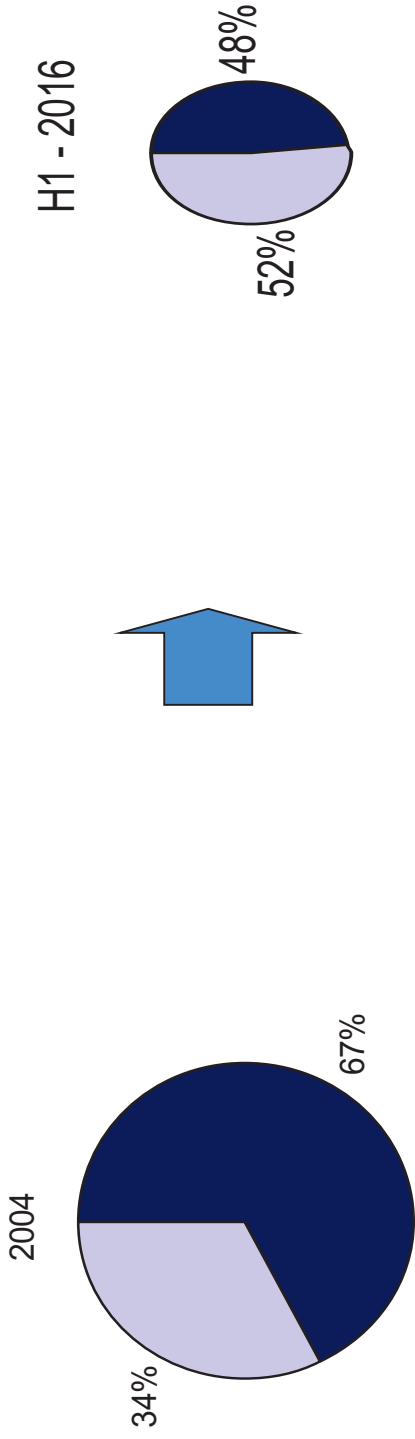


H1 Net Profit (in Rs. lacs)

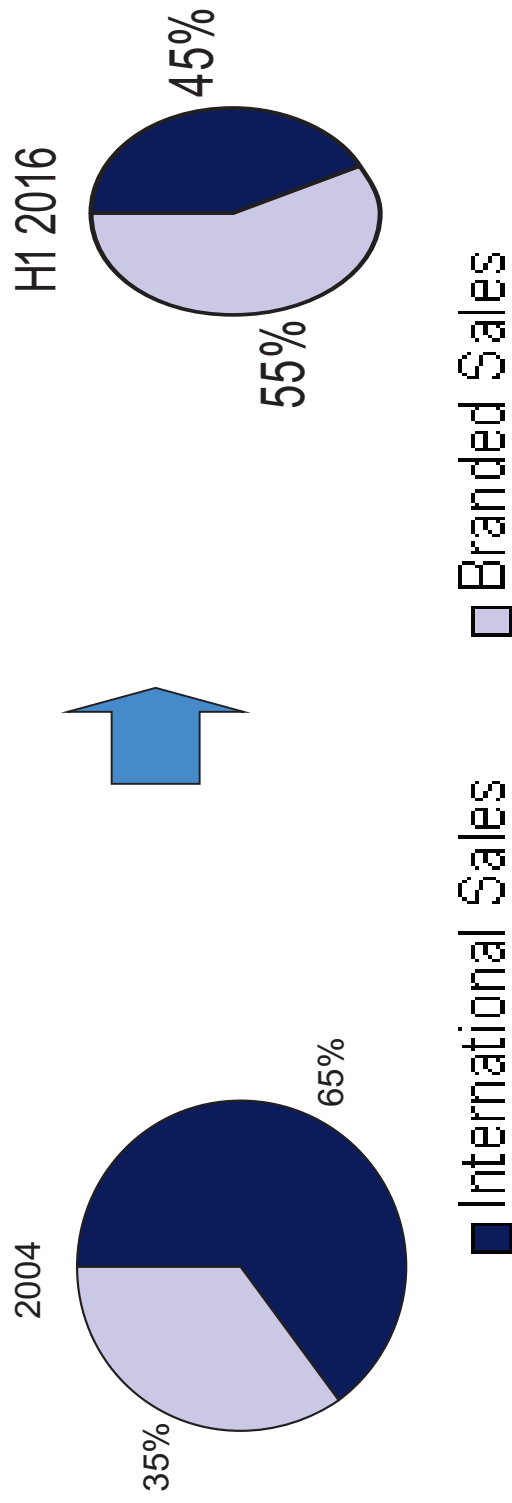


Performance over the last 10 years

Growing Contribution of Branded Business (Consolidated)



Growing Contribution of Branded Business in ZCCL (Standalone)



ZCCL: Enhancing Shareholder Value

- ◆ Corporate Governance
 - A distinguished Board of Directors that brings rich and varied experience.
 - Approx 65% of the Board are independent directors since ZCCL was listed
 - Audit committee headed by & includes finance veterans ensuring strict financial discipline and controls.
- ◆ Prudent financial policies and fiscal discipline have contributed to strong cash flows:
 - CAPEX Funding of approx Rs 9.50 cr (H1 '16) funded thru internal accruals
 - Low Debt/Equity Ratio of 0.24% (Standalone) and 0.22% (Consolidated)
 - Uninterrupted dividend payout since listing, payout ratio in line with best practices across industries
- ◆ Inventory marked to market each financial quarter
- ◆ ZCCL was the 1st woven garments company in the world to get the SA 8000 certification. We continuously conduct social audits for customers across manufacturing plants. Based on customer requirements continuous audits on social, environment, factory & logistics are conducted for standards set by SMETA, SEDEX, CT-PAT, etc

ZCCL: Design Driven International Business

Order books are healthy

The unit value realizations are improving

Raw material prices are currently impacting cost more favorably than earlier

ZCCL: Branded Business

Consumer demand is under stress causing distress to Independent Retailers

We have 3 channels of sale Independent Retailers (IR), our own ZODIAC Stores (ZRS) run on COCO basis and business with National Chains (LFS)

The MBO business has been hit very hard with consumer sentiment showing little improvement

However, sales at ZRS and LFS (like to like) are stable and share of pie for both has increased

The loss of sale in MBO & it's consequent impact on contribution has been blunted by gains in the other two channels

Despite poor consumer sentiment we have not pulled back on investing in brand building & new store openings

ZCCL: Own Retail (COCO)

Opened 21 stores between April 2014 & Sept 2015

Committed to growing own retail and are at 131 COCO stores today

Continuously looking for new locations and signing stores when rentals are viable

Results include these 21 stores which are under gestation and will contribute once consumer sentiment swings

Already seeing some positive signs in the Auto Industry

Experienced Promoters

Mr. M. Y. Noorani - Chairman & Founder

- ◆ Founder of ZODIAC, Clothing Manufacturers Association of India (and its President for 3 terms)
- ◆ One of the founding fathers of the clothing industry in India,
- ◆ Has served on the managing committee of Indo German Chamber of Commerce, Bombay Chamber of Commerce, Indo Italian Chamber of Commerce & E.U. Chamber of Commerce.
- ◆ Recipient of the Lifetime Achievement Awards from CMAI, CIAE & IFA Lycra
- ◆ Obsession with quality as a "way of life" at Zodiac.

Mr. A. Y. Noorani - Vice Chairman & Managing Director

- ◆ Joined ZODIAC in 1968 and has since started the shirt export business and also scaled up the entire operations of the company apart from taking it public
- ◆ Today oversees the management of the entire organization
- ◆ Has served as Independent Director on the Board of Indian Oil Corporation

Mr. S. Y. Noorani - Managing Director & President

- ◆ Began his career with ZODIAC in 1982 and has set up the state of the art manufacturing facilities and the international offices.
- ◆ He leads a team of dynamic professionals and runs the branded and export business of the company

Distinguished Board of Directors

Mr. M. L. Apte

- ◆ Former Sheriff of Bombay, former Chairman of the Textiles Committee, currently Director of Lintas India, Thomas Cook (India) and Grasim Industries

Mr. Bernhard Steinrucke

- ◆ Director General of Indo German Chamber of Commerce, former Jt CEO, India of Deutsche Bank AG, was Managing Partner on the Board of ABC Bank GmbH, Berlin

Dr. Heinrich-Dietrich Dieckmann

- ◆ A retired German diplomat, served as the German ambassador to Japan/India, former Head of Economic Department for German Mission to the UN

Mr. Y. P. Trivedi

- ◆ MP - Rajya Sabha. Former President of Indian Merchants Chamber, The Chamber of Income Tax Consultants, currently Member of the Board of Directors of Reliance Industries

Mr. S. R. Iyer

- ◆ Former MD of State Bank of India, former Member of the Board of Directors of National Stock Exchange of India, GE Capital Business Process Mgt Services Pvt. Ltd., Former Chairman and Director of CIBIL.

Mr. Saumitra Chaudhuri

- ◆ Eminent Economist & Economic Advisor to ICRA.
- ◆ Minister of State (G.O.I.) on PM's Economic Advisory Council for nearly a decade & as a member Planning Commission

Ms. Elizabeth Jane Hulse

- ◆ 4 decades of experience in the clothing industry in UK. Has worked with reputed companies such as British Van Heusen, Tootal & The Burton Group
- ◆ Headed ZODIAC's UK operations for over a decade

ZCCL: The Advisory Board

- ◆ **Mr. Deepak Parekh**
 - ◆ Padma Bhushan 2006
 - ◆ Fellow Institute of Chartered Accountants (England & Wales)
 - ◆ 1st international recipient of their award for Outstanding Achievements in 2010
 - ◆ Chairman & Director of various public limited companies
 - ◆ Youngest recipient of the Economic Times "Corporate Award For Lifetime Achievement"
 - ◆ Awarded Businessman Of The Year 1996 by Business India
 - ◆ Awarded J.R.D Tata Corporate Leadership Award from the All India Management Association
 - ◆ 1st recipient of the QIMPRO Platinum Award for contribution to the services sector
- ◆ **Mr. S.M. Datta**
 - ◆ Former Chairman Hindustan Lever Limited
 - ◆ Former President Bombay Chamber of Commerce & Indst.
 - ◆ Past President of Council of EU Chamber Of Commerce
 - ◆ Currently Chairman – Castrol India Ltd, Phillips India Ltd., IL& FS Investment Managers Ltd., TCI Ltd., Speciality Resaturants Ltd., Peerless Financial Products Distributors Ltd.
 - ◆ Currently Director – Peerless General Finance & Investment Co. Ltd., Atul Ltd., Bhoruka Power Corp. Ltd., RABO India Finance Pvt. Ltd., SMD Mgmt Consultants Pvt. Ltd., Chandras Chemical Entrp. Pvt. Ltd.
- ◆ **Mr. Anil Kapoor**
 - ◆ Started his career with MCM Advtg.
 - ◆ Joined Boots India Ltd. (Now Abbot India) in 1975 where he became Marketing Director
 - ◆ Took over Ulka Advtg. In 1988 which has since become one of the big 5 ad agencies in India (now FCB Ulka)
 - ◆ In 2006 was appointed to the board of FCB & also President Asia Pacific & Africa
 - ◆ Promoted to the Operating Council – the apex body which runs the global company
 - ◆ Currently Chairman Emeritus of FCB Ulka
 - ◆ Past President – 3 A's of I
 - ◆ Past Chairman Audit Bureau of Circulation
 - ◆ Past Executive In Residence at The Stern School of Management (NYU)
 - ◆ Has been on the management board of the National Readership Survey & Television Audience Measurement Research
 - ◆ Serves on the Board of Governors I.I.M. Rohtak

Thank you