

**Quarterly Compliance Report on Corporate Governance**

(In terms of Clause 49 VI (ii) of the Listing Agreement)

**Name of the Company: Zodiac Clothing Company Limited****Quarter ended : December 31, 2011**

| Particulars   | Clause of Listing Agreement | Compliance Status Yes / No | Remarks  |
|---|-----------------------------|----------------------------|--|
| I. Board of Directors                                     | 49 I                        | YES                        |  |
| (A) Composition of Board                                  | 49 I (A)                    | YES                        |  |
| (B) Non – Executive Directors' compensation & disclosures | 49 (IB)                     | YES                        | Will be disclosed in the Annual Report 2011-2012.  |
| [C] Other provisions as to Board and Committees           | 49[IC]                      | YES                        | Certificate confirming compliance with applicable laws for the quarter and nine months period ended December 31, 2011 will be tabled at the forthcoming Board Meeting. |
| D) Code of Conduct  | 49[1D]                      | YES                        | Affirmation received from all the Directors and Senior Management regarding adherence to the Code, will be made by the CEO in the Annual Report 2011-2012.             |
| II Audit Committee  | 49 (II)                     |                            |  |
| (A) Qualified & Independent Audit Committee               | 49II (A)                    | YES                        |  |
| (B) Meeting of Audit Committee                            | 49 II (B)                   | YES                        |  |
| (C) Powers of Audit Committee                             | 49 II (C)                   | YES                        |  |
| (D) Role of Audit Committee                               | 49 II (D)                   | YES                        |  |
| (E) Review of information by Audit Committee              | 49 II (E)                   | YES                        |  |
| III Subsidiary Companies                                  | 49 III                      |                            |  |
|   | 49 III (i)                  | Yes                        |  |
|   | 49 III (ii)                 | Yes                        |  |



|  |              |     |   |
|--|--------------|-----|---|
|  | 49 III (iii) | Yes |   |
| IV. Disclosures  | 49 (IV)      |     |   |
| (A) Basis of related parties transactions                                | 49 IV (A)    | YES | Statement relating to related party transactions will be tabled at the Board Meeting to be held for approving the Audited Annual Accounts of the Company. |
| (B) Disclosure of Accounting Treatment                                   | 49 IV (B)    | YES | Financial statements are being prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India.        |
| (C) Board Disclosures Risk Management                                    | 49 IV (C)    | YES |   |
| (D) Proceeds from Public issues, right issues, preferential issues etc., | 49 IV (D)    | YES |   |
| (E) Remuneration of Directors  | 49 IV (E)    | YES |   |
| (F) Management   | 49 IV (F)    | YES | In respect of the Financial Year ended 31.03.2012, it shall form a part of the Directors' Report 2011-2012.   |
| (G) Shareholders   | 49 (IV G)    | YES | In respect of the Financial Year ended 31.03.2012, it shall form a part of the Directors' Report 2011-2012.   |
| V. CEO / CFO Certification   | 49 V         |     |   |
|  | 49 V         | YES | The Certificate will be tabled at the Board Meeting to be held for approving the Audited Annual Accounts of the Company.                                  |
| VI. Report on Corporate Governance                                       | 49 VI        |     |   |
|  | 49 VI (i)    | YES | As regards Clause 49 VI (i) the Report will form part of the Annual Report 2011-2012  |
|  | VI (ii)      | YES | As regards Clause 49 VI (ii) the Company has been filing the Compliance Status Report with the Stock Exchanges within the prescribed time limits.         |
| VII. Compliance  | 49 VII       |     |   |



|   |             |     |  |
|---|-------------|-----|--|
| Auditors Certificate regarding compliance of conditions of Corporate Governance | 49 VII (i)  | YES | Certificate confirming compliance with the mandatory requirements under Clause 49 will be obtained from the Auditors of the Company and tabled at the Board Meeting to be held for approving the Audited Annual Accounts of the Company. |
| Mandatory & Non-Mandatory requirements.   | 49 VII (ii) | YES | Disclosure regarding compliance with the mandatory requirements and adoption / non-adoption of non-mandatory requirements will be made in the Annual Report 2011-2012.   |

