

Quarterly Compliance Report on Corporate Governance

Name of the Company: Microsec Financial Services Limited

Quarter ending on: 31st March, 2015

| Particulars | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|---------------------------------------------------------|------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| II. Board of Directors | 49 (II) | | |
| (A) Composition of Board | 49 (IIA) | Yes | - |
| (B) Independent Directors | 49 (IIB) | Yes | - |
| (C) Non-executive Directors' compensation & disclosures | 49 (IIC) | Yes | - |
| (D) Other provisions as to Board and Committees | 49 (IID) | Yes | - |
| (E) Code of Conduct | 49 (IIE) | Yes | Compliance affirmed for the year 2013-14 and declaration by CEO duly incorporated in the Annual Report for the year 2013-14. Affirmation of compliance for the year 2014-15 shall be obtained and the declaration by CEO shall also be incorporated in the Annual Report for the year 2014-15. |
| (F) Whistle Blower Policy | 49 (IIF) | Yes | - |
| III. Audit Committee | 49 (III) | | |
| (A) Qualified & Independent Audit Committee | 49 (IIIA) | Yes | - |
| (B) Meeting of Audit Committee | 49 (IIIB) | Yes | - |
| (C) Powers of Audit Committee | 49 (IIIC) | Yes | - |
| (D) Role of Audit Committee | 49 (IIID) | Yes | - |
| (E) Review of Information by Audit Committee | 49 (IIIE) | Yes | - |
| IV. Nomination and Remuneration Committee | 49 (IV) | Yes | - |
| V. Subsidiary Companies | 49 (V) | Yes | - |
| VI. Risk Management | 49 (VI) | Yes | - |
| VII. Related Party Transactions | 49 (VII) | Yes | - |
| VIII. Disclosures | 49 (VIII) | | |

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|-------------------------------------------------------------------------|------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------|
| (A) Related party transactions | 49 (VIII A) | Yes | - |
| (B) Disclosure of Accounting Treatment | 49 (VIII B) | Yes | It shall be duly disclosed, wherever the treatment is different from Accounting Standards. |
| (C) Remuneration of Directors | 49 (VIII C) | Yes | Disclosed in the Annual Report for the year 2013-14. Shall be disclosed in the Annual Report for the year 2014-15. |
| (D) Management | 49 (VIII D) | Yes | Forms part of the Annual Report for the year 2013-14. Shall be disclosed in the Annual Report for the year 2014-15. |
| (E) Shareholders | 49 (VIII E) | Yes | Forms part of the Annual Report for the year 2013-14. Shall be disclosed in the Annual Report for the year 2014-15. |
| (F) Proceeds from public issues, rights issue, preferential issues, etc | 49 (VIII I) | N.A. | - |
| IX. CEO/CFO Certification | 49 (IX) | Yes | Complied in respect of financial year 2013-14. Shall be complied for the financial year 2014-15. |
| X. Report on Corporate Governance | 49 (X) | Yes | Formed part of the Annual Report for the year 2013-14. Shall form part of the Annual Report for the year 2014-15. |

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|----------------|-----------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| XI. Compliance | 49 (XI) | Yes | <p>Sub-clause (1) – formed part of the Annual Report for the year 2013-14. Shall form part of the Annual Report for the year 2014-15.</p> <p>Sub-clause (2) – Non-mandatory. Disclosure made in the Annual Report for the year 2013-14. Shall be disclosed in the Annual Report for the year 2013-14.</p> |

For Microsec Financial Services Limited

Biplab Kumar Mani
Company Secretary & Compliance Officer