

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE UNDER CLAUSE 49  
OF THE LISTING AGREEMENT**

**Name of the Company: Microsec Financial Services Limited**

**Quarter ending on: 31<sup>st</sup> March, 2014**

<b>Particulars</b>	<b>Clause of Listing Agreement</b>	<b>Compliance Status Yes/No</b>	<b>Remarks</b>
<b>I. Board of Directors</b>	49 I		
(A) Composition of Board	49 (IA)	Yes	-
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	Yes	-
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	-
D) Code of Conduct	49 (ID)	Yes	Compliance affirmed for the year 2012-13 and declaration by CEO duly incorporated in the Annual Report for the year 2012-13.  Affirmation of compliance for the year 2013-14 shall be obtained and the declaration by CEO shall also be incorporated in the Annual Report for the year 2013-14.
<b>II. Audit Committee</b>	49 (II)		-
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	-
(B) Meeting of Audit Committee	49 (IIB)	Yes	-
(C) Powers of Audit Committee	49 (IIC)	Yes	-
(D) Role of Audit Committee	49 II(D)	Yes	-
(E) Review of Information by Audit Committee	49 (IIE)	Yes	-
<b>III. Subsidiary Companies</b>	49 (III)	Yes	-
<b>IV. Disclosures</b>	49 (IV)		-
(A) Basis of Related Party Transactions	49 (IV A)	Yes	-
(B) Disclosure of Accounting Treatment	49 (IV B)	NA	It shall be duly disclosed in the Corporate Governance Report, wherever the treatment is different from Accounting Standards.
(C) Board Disclosures	49 (IV C)	Yes	-
(D) Proceeds from Public Issues,	49 (IV D)	Yes	-

Rights Issues, Preferential Issues, etc.			
(E) Remuneration of Directors	49 (IV E)	Yes	Disclosed in the Annual Report for the year 2012-13. Shall be disclosed in the Annual Report for the year 2013-14.
(F) Management	49 (IV F)	Yes	Formed part of the Annual Report for the year 2012-13. Shall form part of the Annual Report for the year 2013-14.
(G) Shareholders	49 (IV G)	Yes	Formed part of the Annual Report for the year 2012-13. Shall form part of the Annual Report for the year 2013-14.
<b>V.CEO/CFO Certification</b>	49 (V)	Yes	Complied in respect of financial year 2012-13. Shall be complied for the financial year 2013-14.
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	Formed part of the Annual Report for the year 2012-13. Shall form part of the Annual Report for the year 2013-14.
<b>VII. Compliance</b>	49 (VII)	Yes	Sub-clause (1) – formed part of the Annual Report for the year 2012-13. Shall form part of the Annual Report for the year 2013-14. Sub-clause (2) – Non-mandatory. Disclosure was made in the Annual Report for the year 2012-13. Shall be disclosed in the Annual Report for the year 2013-14.