

Format of Quarterly Compliance Report on Corporate Governance under Clause 49 of the Listing Agreement

Name of the Company: BEE ELECTRONIC MACHINES LIMITED
Quarter ending on: March 31, 2014

| Particulars | Clause of Listing Agreement | Compliance Status Yes/No | Remarks |
|---------------------------------------------------------|-----------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I Board of Directors | 49 I | | |
| (A) Composition of Board | 49(IA) | YES | |
| (B) Non-executive Directors' Compensation & Disclosures | 49 (IB) | NA | As the Unit is a SICK Company, no compensation is being paid to Non-Executive Directors. |
| (C) Other Provisions as to Board and Committees | 49 (IC) | YES | |
| D) Code of Conduct | (49 (ID) | YES | |
| II. Audit Committee | 49 (II) | | |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | YES | |
| (B) Meeting of Audit Committee | | YES | |
| (C) Powers of Audit Committee 49 (IIC) | 49 (IIB) | YES | |
| (D) Role of Audit Committee | 49 II(D) | YES | |
| (E) Review of Information by Audit Committee | 49 (IIE) | YES | |
| III. Subsidiary Companies | 49 (III) | NA | There are no subsidiary companies |
| IV. Disclosures | 49 (IV) | | |
| (A) Basis of Related Party Transactions | 49 (IV A) | YES | |
| (B) Disclosure of Accounting Treatment | 49 (IV B) | YES | |
| (C) Board Disclosures | 49 (IV C) | NA | The Company being a sick unit has minimal operations presently. In the past, the Company had a laid down procedures for minimization of risks and those had already been placed and approved by the Board. In today's business context of the Company, risk management or the laid down procedures are not applicable. |

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| (D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc. | 49 (IV D) | NA | No money raised through Public Issue, Rights or Preferential issues etc. |
| (E) Remuneration of Directors | 49 (IV E) | YES | |
| (F) Management | 49 (IV F) | YES | |
| (G) Shareholders | 49 (IV G) | YES | |
| V.CEO/CFO Certification | 49 (V) | YES | |
| VI. Report on Corporate Governance | 49 (VI) | YES | The Annual Report of the Company contains the Report on Corporate Governance and it contains all the information as suggested in the list of items vide Annexure 1 C. However, non-mandatory items are not adopted by the Company and hence do not form a part of the Corporate Governance Report. |
| VII. Compliance | 49 (VII) | YES | The Company does obtain the Compliance Certificate from duly signed by a practicing Company Secretary. The same is filed with the ROC/ MCA electronically. |

For Bee Electronic Machines Limited

Compliance Officer.

Place: MUMBAI

Date: April 9th, 2014