

**REPORT ON CORPORATE GOVERNANCE**

Name of the Company : MIRC ELECTRONICS LIMITED  
For the quarter ended : June 30, 2014

Particulars	Clause of the Listing Agreement	Compliance Status Yes/ No	Remarks
<b>I. Board of Directors</b>	49 I	Yes	-
(A) Composition of Board	49 (IA)	No	Refer encl. note 1
(B) Non-Executive Directors compensation and Disclosures	49 (IB)	Yes	-
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	-
(D) Code of Conduct	49 (ID)	Yes	-
<b>II. Audit Committee</b>	49 (II)	Yes	-
(A) Qualified and Independent Audit Committee	49 (IIA)	No	Refer encl. note 2
(B) Meetings of Audit Committee	49 (IIB)	Yes	-
(C) Powers of Audit Committee	49 (IIC)	Yes	-
(D) Role of Audit Committee	49 (IID)	Yes	-
(E) Review of Information by the Audit Committee	49 (IIE)	Yes	-
<b>III. Subsidiary Companies</b>	49 (III)	Yes	-
<b>IV. Disclosures</b>	49 (IV)	Yes	-
(A) Basis of related party transactions	49 (IVA)	Yes	-
(B) Disclosure of Accounting treatment	49 (IVB)	Yes	-
(C) Board Disclosures	49 (IVC)	Yes	-
(D) Proceeds from Public Issues, Rights Issues, Preferential Allotments etc.	49 (IVD)	N.A.	-
(E) Remuneration of Directors	49 (IVE)	Yes	-
(F) Management	49 (IVF)	Yes	-
(G) Shareholders	49 (IVG)	Yes	-
<b>V. CEO/ CFO Certification</b>	49 (V)	Yes	-
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	-
<b>VII. Compliance</b>	49 (VII)	Yes	-



Note 1:

**Composition of Board - Clause 49 I (A)**

The present strength of the Board of Directors is five, whose composition is given below:

- Two Promoters cum Executive Directors.
- One Non-Promoter Executive Director.
- Two Independent, Non-Executive Directors.

The Chairman of the Board is an Executive Director. Out of the 5 Directors, 2 are Non-Executive Independent Directors.

During the quarter ended June 2014, Mr. Vimal Bhandari, Non-Executive Independent Director, resigned from the directorship of the Company w.e.f. June 07, 2014, hence composition of the Board presently does not fulfill the criteria laid down in Clause 49 I (A) of the Listing Agreement of having 50% of the Directors as Independent Directors.

The Company is in process of inducting Non-Executive Independent Director in the Board within the time prescribed under Clause 49 I (C)(iv) Listing Agreement and the Companies Act.

Note 2:

**Composition of Audit Committee- Clause 49 II(A)(i)**

During the quarter ended June 2014, Mr. Vimal Bhandari, Non-Executive Independent Director, and Chairman of the Audit Committee resigned from the Chairmanship of the Audit Committee w.e.f. June 07, 2014, hence composition of the Audit Committee presently does not fulfill the criteria laid down in Clause 49 II(A)(i) of the Listing Agreement. The Company has 2 independent directors but the composition of the audit committee has to be increased to 3 to fulfill the requirement of this clause.

The Company in the forthcoming Board Meeting scheduled to be held on 24<sup>th</sup> July, 2014 shall be nominating further members to the Audit Committee to comply with the Clause 49 II (A) (i) and also appoint new Chairman of the Audit Committee and shall then be consonance with the Clause 49 requirements.

For MIRC Electronics Limited



A handwritten signature in blue ink, appearing to read "Aashay Khandwala".

Aashay Khandwala  
Head - Corporate Affairs,  
Legal & Company Secretary

Date : 10/07/2014

Place : Mumbai