<u>Format of Quarterly Compliance Report on Corporate Governance under Clause 49 of the Listing Agreement</u>

Name of the Company: BEE ELECTRONIC MACHINES LIMITED -Script Code no 517203
Quarter ending on: September 30, 2007

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I		
(A) Composition of Board	49(IA)	NO	The Company's Board comprises of 3 directors of which one is an Independent Non-Executive Director. As the Company has been declared as a SICK Unit by BIFR and is also a NPA with Consortium Bankers, it is difficult to expand the Board to the optimum combination desired.
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	NA	The Company is presently not paying any compensation to the Non-executive Director.
(C) Other Provisions as to Board and Committees	49 (IC)	YES	This has been implemented and all relevant information as recommended as per Annexure 1 A to be placed before the Board is being done as is applicable to the Company and its operation.
D) Code of Conduct	(49 (ID)	YES	The Board has laid down a code of conduct that is being followed by the Board members and senior management of the Company. However, the code of conduct has not been posted on the website as the Company presently does not have a website.
II. Audit Committee	49 (II)		
(A)Qualified & Independent Audit Committee	49 (IIA)	YES	The Company has an Audit Committee in place. Two of the Company's Directors are B.Com Graduates. Of them, one is an Independent Non-Executive Director who is the Chairman of the Audit

			Committee. The Company's Board presently comprises of 3 directors and as such all 3 directors form the Audit Committee.
(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	All the relevant information pertaining to related party transactions, if any are placed before the Audit Committee and the Board.
(B) Disclosure of Accounting Treatment	49 (IV B)	YES	There is no treatment different from those prescribed in the Accounting Standards.
(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.
(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)	NO	MD & A Report presently does not form a part of the Annual Report to the shareholders. None of the Senior management is involved or has a personal interest in either material, financial and/ or commercial transactions of or with the Company.
(G) Shareholders	49 (IV G)	YES	All criteria are met on this front.
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 more or less 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 and the same is duly signed by a practicing Company Secretary. The same is filed with the ROC/ MCA electronically by the Company.

Thanking you,

Yours sincerely,
For Bee Electronic Machines Limited
Sd/-
Compliance officer