

REPORT ON CORPORATE GOVERNANCE

Name of Company : **Mercury Laboratories Limited**
Quarter ending on : **30.09.2011**

| Particulars | Clause of Listing Agreement | Compliance Status (Yes/No) | Remarks |
|--|-----------------------------|----------------------------|-----------------------------------|
| 1 | 2 | 3 | 4 |
| I. Board of Directors | 49 I | Yes | |
| (A) Composition of Board | 49(IA) | Yes | |
| (B) Non-executive Directors' Comp. & disclo. | 49(IB) | Yes | |
| (C) Independent Director | 49(IC) | Yes | |
| (D) Board Procedure | 49 (ID) | Yes | |
| (E) Code of Conduct | 49 (IE) | Yes | |
| (F) Term of office of non-executive directors | 49 (IF) | Yes | |
| II. Audit Committee | 49 (II) | Yes | |
| (A) Qualified & Independent Audit Comm. | 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(IID) | Yes | |
| (E) Review of Information by Audit Comm. | 49 (IIE) | Yes | |
| III. Audit Reports and Audit Qualifications | 49 (III) | Yes | |
| IV. Whistle Blower Policy | 49 (IV) | Yes | |
| V. Subsidiary Companies | 49 (V) | N.A. | |
| VI. Disclosure of contingent liabilities | 49 (VI) | Yes | |
| VII. Disclosures | 49 (VII) | Yes | |
| (A) Basis of related party transactions | 49(VIIA) | Yes | |
| (B) Board Disclosures | 49(VIIB) | Yes | |
| (C) Proceeds from Initial Public offerings | 49 (VIIC) | N.A. | |
| (D) Remuneration of Directors | 49 (VIID) | Yes | |
| (E) Management | 49(VIIE) | Yes | |
| (F) Shareholders | 49 (VIIF) | Yes | |
| VIII. CEO/CFO Certification | 49 (VIII) | Yes | Included in Annual Report 2010-11 |
| IX. Report on Corporate Governance | 49 (IX) | Yes | |
| X. Compliance | 49 (X) | Yes | |

For Mercury Laboratories Limited,



Prakash Patel
Compliance Officer

