

Annexure – A

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	\checkmark		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors	\checkmark		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	\checkmark		
1.2 (ii) b)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship	\checkmark		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	\checkmark		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	\checkmark		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	\checkmark		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	\checkmark		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	\checkmark		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF1	\checkmark		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	\checkmark		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	\checkmark		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	√		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	Qualification of Independent Directors (ID):			
1.3 (i)	Knowledge of Independent Directors	√		
1.3 (ii)	Background of Independent Directors	√		
1.3 (iii)	Special cases for qualifications	√		
1.4	Individual Chairman of the Board and CEO	√		
1.5	The Directors' Report to Shareholders :			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others		N/A	
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.		N/A	
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (x)	Remuneration to directors including independent directors (ID)	√		Disclosed in FS- Note- 31.00, no remuneration paid to ID.
1.5 (xi)	Fairness of Financial Statement	√		
1.5 (xii)	Maintenance of proper books of accounts	√		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	√		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	√		
1.5 (xv)	Soundness of internal control system	√		
1.5 (xvi)	Ability to continue as a going concern	√		
1.5 (xvii)	Significant deviations from the last year's	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	√		
1.5 (xix)	Reasons for not declared dividend	√		The company carrying loss for the year ended June 30 2015.
1.5 (xx)	Number of board meetings held during the year and attendance	√		
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties	√		
1.5 (xxi) b)	Directors,CEO,CS,CFO,HIA and their spouses and minor children	√		
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	10% or more voting interest	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xxii)	Appointment/re-appointment of director:			
1.5 (xxii) a)	Resume of the director	√		
1.5 (xxii) b)	Expertise in specific functional areas	√		
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other than this company.	√		
2.1	Appointment of CFO, HIA and CS:			
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	√		
3	Audit Committee :			
3(i)	Constitution of Audit Committee	√		
3(ii)	Assistance of the Audit Committee to Board of Directors	√		
3(iii)	Responsibility of the Audit Committee	√		
3.1	Constitution of the Audit Committee:			
3.1(i)	At least 3 (three) members	√		
3.1(ii)	Appointment of members of the Audit Committee	√		
3.1(iii)	Qualification of Audit Committee members	√		
3.1(iv)	Term of Service of Audit Committee members	√		
3.1(v)	Secretary of the Audit Committee	√		
3.1 (vi)	Quorum of the Audit Committee	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Board of Directors shall select the Chairman.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	√		
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	Activities of Audit Committee	√		
3.4.1 (ii) a)	Conflicts of interests	√		
3.4.1 (ii) b)	Material defect in the internal control system	√		
3.4.1 (ii) c)	Infringement of laws, rules and regulations	√		
3.4.1 (ii) d)	Any other matter	√		
3.4.2	Reporting to the Authorities	√		
3.5	Reporting to the Shareholders and General Investors	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
4	Engagement of External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or Fairness opinions	√		
4 (ii)	Financial information systems design and implementation	√		
4 (iii)	Book-keeping	√		
4 (iv)	Broker-dealer services	√		
4 (v)	Actuarial services	√		
4 (vi)	Internal audit services	√		
4 (vii)	Services that the Audit Committee determines	√		
4 (viii)	Audit firms shall not hold any share of the company they audit.	√		
4 (ix)	Audit certification service	√		
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors			N/A
5 (ii)	At least 1 (one) independent director to the subsidiary company			N/A
5 (iii)	Submission of Minutes to the holding company			N/A
5(iv)	Review of Financial Statement by the holding company			N/A
5 (v)	Review of Financial Statement by the holding company			N/A

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	Duties of Chief Executive Officer and Chief Financial Officer:			
6 (i) a)	Reviewed the materiality untrue of the financial statement	√		
6 (i) b)	Reviewed about compliance of the accounting standard	√		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	√		
7	Reporting and Compliance of Corporate Governance:			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	√		
7 (ii)	Annexure attached in the directors' report	√		