

Corporate Governance Compliance Report

Status of compliance with a conditions imposed by the
Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012.
(Report under Condition No. 7.00)

Condition No.	Title	Compliance status (Put in the appropriate column)		Explanation for non-compliance with the condition.
		Complied	Not complied	
1.	Board of Directors			
1.1	Board's Size	✓		
1.2	Independent Directors			
1.2 (i)	At least 1/5th of the total number of Directors of board shall be Independent Directors.	✓		
1.2 (ii) a)	Who holds less than 1% shares of total paid-up shares of the company;	✓		
1.2 (ii) b)	Not a sponsor of the company and is not connected with the company's any sponsor or Director or shareholder who hold 1% or more shares:	✓		
1.2 (ii) c)	Not have any other relationship with the company its subsidiary/associated companies:	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange:	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or	✓		
1.2 (ii) f)	Not or was not a partner or executive during the preceding 3 (three) years of the company's statutory audit firm;	✓		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction:	✓		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude:	✓		
1.2 (iii)	Appointed by the board of directors approved by the shareholders in the Annual General Meeting (AGM);	✓		
1.2 (iv)	Independent director's post can't remain vacant for more than 90 days;	✓		
1.2 (v)	The board shall lay down a code of conduct of all board members and annual compliance be recorded;	✓		
1.2 (vi)	The tenure of office for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director.	✓		
1.3 (i)	A knowledgeable individual with integrity and able to ensure compliance with financial regulatory and corporate laws and can make meaningful;	✓		
1.3 (ii)	Independent directors will be business leader/corporate leader with economics or business studies or law background and	✓		
1.3 (iii)	In special cases the above qualification may be relaxed subject to prior approval of the commission;	✓		
1.4	Chairman of the Board and Chief Executive Officer be different person	✓		
1.5	Director's Report include declarations on:	✓		
	(i) Industry outlook and possible future developments in the industry	✓		
	(ii) Segment-wise or product-wise performance		✓	Not possible
	(iii) Risks and Concerns	✓		
	(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		

	(v) Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
	(vi) Related party transactions			Not applicable
	(vii) Utilization of proceeds	✓		
	(viii) Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			Not applicable
	(ix) Significant variance			Do
	(x) Remuneration to directors	✓		
	(xi) Fairness of state of the affairs	✓		
	(xii) Keeping proper books of accounts	✓		
	(xiii) Consistent application of Accounting Policies and preparation of financial statements	✓		
	(xiv) Observance of Bangladesh Accounting Standards (BAS)	✓		
	(xv) Soundness and efficiency of internal control	✓		
	(xvi) Ability of Standard Ceramic Industries Ltd. to continue as a going concern	✓		
	(xvii) Significant deviations from last year in operation results			No such incidence
	(xviii) Presentation of key operation and financial data for last five years	✓		
	xix) Declaration of dividend	✓		
	(xx) Number of Board Meeting held during the year and attendance by each other	✓		
	(xxi) Shareholding pattern	✓		
	(xxii) Appointment / re-appointment of a Director	✓		
2.1	Appointment of Chief Financial Officer (CFO) and Company Secretary	✓		
2.2	Requirement as to attendance of CFO and Company Secretary in the Board Meeting	✓		
3.00	Formation of Audit Committee	✓		
3 (i)	Sub-committee of the Board of Directors.	✓		
3 (ii)	Assisting the Board of Directors for ensuring true and fair view of the state of affairs;	✓		
3 (iii)	Duties of the audit committee clearly set forth in writing.	✓		
3.1	(i) Numbers of members of audit committee	✓		
	(ii) Inclusion of Independent Director in the Audit Committee	✓		
	(iii) Financially literate & Financial management expertise member	✓		
	(iv) Fill the casual vacancy in Audit Committee	✓		
	(v) Company Secretary as the Secretary of the committee	✓		
	(vi) inclusion of Independent Director in the quorum of the Audit Committee	✓		
3.2	(i) Selection of the Chairman of Audit Committee	✓		
	(ii) Attendance of the Chairman of the audit committee shall remain present in the AGM.	✓		
3.3	(i) Investigate financial reporting process	✓		
	(ii) Monitoring accounting policies and principles	✓		
	(iii) Monitoring Internal Control Risk management process	✓		
	(iv) Investigate hiring and performance of external auditors.	✓		
	(v) Review of annual financial statements.	✓		
	(vi) Review of quarterly and half yearly financial statements	✓		
	(vii) Review of adequacy of internal audit function.	✓		
	(viii) Related party transaction			Not applicable
	(ix) Management Letters/ Letter of Internal Control weakness	✓		
	(x) Purposes of fund utilized	✓		

3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1	(i) Report by the Audit Committee on its activities to the Board of Directors	✓		
	(ii) Report to the Board by the Audit Committee on :	✓		
	(a) Conflicts of interest	✓		
	(b) suspected or presumed fraud or irregularity or material defect in the internal control system	✓		
	(c) suspected infringement of laws, including securities related laws, rules and regulations	✓		
	(d) Any other matter	✓		
3.4.2	Reporting to the SEC by the Audit Committee			No such incidence
3.5	Reporting to the shareholders and general investors			No such incidence
4	Statutory Auditors not to engage in:	✓		
	(i) Appraisal or valuation services	✓		
	(ii) Financial information systems design and implementation.	✓		
	(iii) Book-keeping or other services related to the accounting records or financial statements	✓		
	(iv) Broker-dealer services.	✓		
	(v) Actuarial services.	✓		
	(vi) Internal audit services.	✓		
	(vii) Any other service that the Audit Committee determines	✓		
	viii) Shares of partners or employees of the external audit firm	✓		
	ix) Audit Certification services.	✓		
5	Subsidiary company:			Not existence
	(i) Composition of the Board of Directors of the subsidiary company.			do
	(ii) Independent director on the Board of Directors of the holding company			do
	(iii) Subsidiary company shall be placed for review at the following Board meeting of the holding company			do
	(iv) Reviewed the affairs of the subsidiary company			do
	(v) Financial statement is reviewed by the Audit Committee			do
	(vi) Review the financial statements by holding company's audit committee.			do
6.	(i) Review financial statements to the best of their knowledge	✓		
	a. Materially	✓		
	b. True and fair view of the company's affairs	✓		
	(ii) No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.	Reporting and Compliance of Corporate Governance.	✓		
7. (i)	Compliance certificate from a Professional Accountant / Secretary.	✓		
7. (ii)	Statement of Directors in accordance with the annexure attached whether the company has complied with.	✓		