

directors' report to the shareholders

Dear Shareholders,

I, take the opportunity, on behalf of the Board of Directors, to place before you the Directors Report and the Auditor's Report together with the audited financial statements of the Company for the period ended June 30, 2016.

A summarized activities of the Company for the aforesaid period is mentioned hereunder :

PERFORMANCE

Assembling Unit: This Unit has produced 436 units of vehicles which consists of 414 units of non-air conditioned Hino Diesel Bus Chassis(model AK1JMKA) and 22 units of air conditioned Hino Diesel Bus Chassis (model RM2KSK). During the period under review, Tk. 178.95 crore has been contributed to the Company's turnover against sale proceeds of 344 units of Hino Bus Chassis.

Bus Body Building Unit: This Unit has fabricated 164 units of Hino Bus body. An amount of Tk. 30.66 crore has been added to the turnover of the Company against sale proceeds of 164 units of Hino bus body fabrication.

Motorcycle Unit: This Unit has assembled 2350 units of motorcycles and contributed an amount of Tk. 27.67 crore to the Company's sales.

Consolidated Financial Result and Appropriation of Profit:

amount in taka

	2016 (10 Months)
Retained Earnings Brought Forward	2,247,588,021
Add: Net Profit for the period (after tax)	276,763,050
Profit available for appropriation	2,524,351,071
Recommended for appropriations:	
Cash Dividend provision @ 15% for the year 2016	102,786,486
Un appropriated profit carried forward	2,421,564,585
Total	2,524,351,071

Aftab Automobiles Limited (AAL)

The operating results of AAL for the period ended June 30, 2016 are given below comparing operating results for the previous year ended August 31, 2015 as follows:

Particulars	2016 (Taka) 10 Months	2015 (Taka) 12 Months
Turnover	2,372,686,547	2,457,042,702
Gross Profit	574,015,610	560,993,555
Net Profit After Tax	212,400,135	201,390,207
Earnings Per Share (EPS)	2.22	2.10
Net Assets Value Per Share (NAVPS)	56.08	54.30

Subsidiary Company

Navana Batteries Limited

Navana Batteries Limited (NBL) is a fully owned subsidiary Company of Aftab Automobiles Limited (AAL) holding 99.95% share. The operating results of NBL for the period ended June 30, 2016 are given below comparing operating results for the previous year ended August 31, 2015 as follows:

Particulars	2016 (Taka) 10 Months	2015 (Taka) 12 Months
Turnover	678,891,057	1,002,022,503
Gross Profit	189,400,891	279,818,449
Net Profit After Tax	55,306,769	90,588,043
Earnings Per Share (EPS)	3.01	4.93
Net Assets Value Per Share (NAVPS)	35.21	32.20

Product-wise performance

The company is operating its business with its vehicles and battery products within the territory of Bangladesh.

Industry outlook and possible future developments in the industry

The company is conducting its market research and feasibility study on different types of vehicles and auto parts within Bangladesh territory. We hope sales of our products will be increased in coming days.

Risks and concerns

The profitability of the Company may be affected in future due to increase of essential ingredients like electricity, labour cost etc. and other factors.

A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin (Consolidated).

amount in '000" taka

Particulars	June 30, 2016 (10 Months)	August 31, 2015 (12 Months)
Revenues (Turnover)	3,051,578	3,459,065
Cost of goods sold	2,288,161	2,618,253
Gross profit	763,416	840,812
Total comprehensive income for the period/year	267,763	311,101

Discussion on continuity of any Extra-Ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial period/year.

Related party transactions

As per agreement with Toyota Tsusho Corporation, Japan, the assembled vehicles of Aftab Automobiles Limited are distributable through Navana Limited (distributor of Toyota & Hino vehicles). No other transaction has been made with any other related party.

Investments:

(a) Navana CNG Limited

Aftab Automobiles Limited is holding =1,05,404= shares of Navana CNG Limited at present. The acquisition cost of the said shares was Tk.4.37 per share. However, the market price of the shares of Navana CNG Limited is Tk. 46.20 as on June 30, 2016.

(b) Navana Real Estate Limited

Aftab Automobiles Limited is holding =60,00,000= shares of Tk. 10/- each of Navana Real Estate Limited at present. The acquisition cost of the said shares was Tk. 3.33 per share. As Navana Real Estate Limited is not listed, its market price cannot be determined. However, Navana Real Estate Limited's Earning per share (EPS) and Net asset value (NAV) as on June 30, 2015 stood at Tk. 2.23 and Tk. 47.92 per share respectively.

Next Year Plan

The Assembling Unit of the Company is expected to assemble 550 units of non air-conditioned Hino Diesel Bus Chassis in the next financial year.

The Bus Body Building Unit is expected to fabricate around 200 units of non air-conditioned and air conditioned (model AK1JMK) Hino Bus Body during the next financial year.

The new model RN8J (CBU) air-conditioned Hino Diesel bus is expected to sell 50 units.

The Motorcycle unit is expected to assemble 2500 units of various types of Mahindra Brand motorcycles as per market demand.

Dividend

The Board of Directors of your Company has recommended cash dividend @ 15% for the general shareholders (excluding sponsor/ director) for the period ended on June 30, 2016. The sponsors and directors have surrendered their portion of dividend for utilizing the fund for better growth of the Company.

The general shareholders whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e., November 28, 2016 will be entitled to the dividend (subject to approval in the Annual General Meeting of the Company to be held on December 22, 2016).

Election of Directors

Mr. Shafiul Islam

A Bachelor of Science, Mr. Shafiul Islam joined the Islam Group, a reputed business conglomerate in Bangladesh in 1968 and started his career with automobile business as well as in the construction, real estate business. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations. He played a major role in establishing "Navana" as the Toyota brand car trading company in Bangladesh, and finally set up Aftab Automobiles Ltd. He was also responsible for the construction company named Bengal Development Corporation (BDC) where he was directly responsible for the construction work of BDC in the Middle East and from 1981, he was also taking care of Eastern Housing Limited, then the largest real estate development company in Bangladesh. In 1996, he splitted from Islam Group with Navana Ltd. and Aftab Automobiles Ltd. and formed Navana Group.

Mr. Shafiul Islam is the Chairman of Navana Group, consisting of companies involved amongst others in vehicles assembling, trading; real estate; construction; CNG conversion and CNG stations; electronics; petroleum and renewable energy, enginnering, lpg etc.

He has a very good relationship with all business key persons of the country.

Names of companies in which Mr. Shafiul Islam also holds the directorship:

Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Building Products Ltd., Navana Interlinks Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Furniture Ltd., Navana Engineering Ltd., Navana Welding Electrode Limited, Navana Plastic Products Ltd. Navana Power Generation Ltd., Navana Toyota Service Center Ltd., Essential Industries Ltd., Eastern Printing Press Ltd., Orion Complex Ltd., Kenhill Paper Mills Ltd., Biponon Ltd., Navana Computers & Tech Ltd., Road Linkers Ltd., Navana Taxi Cab Co. Ltd., Navana Power Co. Ltd., Navana Feed Mills Ltd., Navana Software Ltd., Navana Plantation Ltd., Navana Exports Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Fabrics Ltd., Navana Gas Co. Ltd., Navana Paints Ltd., Navana Equities Ltd., Navana Electrical and Energy Saving Products Ltd., Navana Properties Ltd., and Navana LPG Ltd.

Membership in committees of the Board of other Companies – None.

Mrs. Khaleda Islam

Mrs. Khaleda Islam is the wife of Mr. Shafiul Islam, Chairman of the Navana Group. She has experienced in business for more than 37 years. She traveled many countries of the world. At present, Mrs. Khaleda Islam is a Director of Navana Group, involved, amongst others, in vehicles assembling, trading; real estate; construction; CNG conversion and CNG stations; electronics; petroleum and renewable energy, enginnering, lpg etc.

Names of companies in which Mrs. Khaleda Islam also holds the directorship:

Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Toyota Service Center Ltd., Navana Engineering Ltd., Navana Welding Electrode Limited Navana Interlinks Ltd., Eastern Printing Press Ltd., Biponon Ltd., Navana Computers & Tech Ltd., Road Linkers Ltd., Navana Taxi Cab Co. Ltd., Navana Plastic Products Ltd. Navana Power Generation Ltd., Navana Power Co. Ltd., Navana Feed Mills Ltd., Navana Software Ltd., Navana Plantation Ltd., Navana Exports Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Gas Co. Ltd., Navana Building Products Ltd., Navana Equities Ltd., Navana Electrical and Energy Saving Products Ltd., Navana Properties Ltd., and Navana LPG Ltd.

Membership in committees of the Board of other Companies – None.

Remuneration to directors including independent directors:

The Director of the Company including Independent Director is receiving a sum of Taka 5000/- (Five thousand) only as board meeting fee. During the year the Company paid an amount of Tk. Totaling 1,85,000/- including i.e. Net payable amount to them Tk. 1,66,500/- only.

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BOARD MEETINGS:

In accordance with directives of the regulatory authorities, the Board supervise, study and review the activities of the Company and make businesses decisions, etc. During the year eight (8) Board meetings were held.

<u>Name of Directors</u>	<u>No. of Board Meeting attended</u>
Mr. Shafiul Islam	8
Mrs. Khaleda Islam	3
Mr. Saiful Islam	4
Mr. Sajedul Islam	7
Ms. Farhana Islam	3
Mr. Syed Masud Hasan (Independent Director)	1
Mr. M. Obaidur Rahman, FCA (Independent Director)	5
Mr. Ekramul Haq, FCA (Independent Director)	6

Note: Mr. M. Obaidur Rahman, Independent Director was appointed on 24.11.2015

External Audit

M/s. Malek Siddiqui Wali, a Chartered Accountant firm registered in Bangladesh acted as the external auditors of the company. The external auditors perform the following services of the Company:

- Appraisal or valuation services or fairness opinions;
- Financial information systems design and implementation;
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services;
- Actuarial services; and
- Internal audit services;
- Any other services that the Audit Committee determines.

APPOINTMENT OF AUDITORS

The existing auditors of the Company Malek Siddiqui Wali, Chartered Accountants has completed their audit for the period ended on June 30, 2016, in compliance with Finance Act, 2015. Being eligible they have expressed their willingness to be re-appointed as statutory auditors of the company for the year ending June 30, 2017.

CORPORATE & FINANCIAL REPORTING:

The Company is determined to ensure good governance by complying with all the applicable rules and regulations of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission. It has complied with all the requirements of Corporate Governance and the Directors are pleased to confirm the following:

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- The systems of internal control are sound and have been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There are no significant deviations in operating result of the business of the company compared to last year.
- The key operating and financial data for the last five years is annexed.

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i) Pattern of Shareholding:

Namewise details		No. of Shares held
i.	<u>Parent/Subsidiary/Associated Companies and other related parties</u>	
	Navana CNG Limited	75,084
	Navana Real Estate Limited	20
	Navana Engineering Limited	44,750
ii.	<u>Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:</u>	
	Mr. Shafiul Islam-Chairman	1,86,26,415
	Mr. Saiful Islam- Managing Director	19,88,215
	Mrs. Khaleda Islam-Director	26,03,467
	Mr. Sajedul Islam- Director	19,88,078
	Ms. Farhana Islam- Director	19,88,078
	Mr. Syed Masud Hasan - Independent Director	nil
	Mr. Ekramul Huq- Independent Director	nil
	<u>Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:</u>	nil
iii.	<u>Executives</u>	nil
iv.	<u>Shareholders holding ten percent (10%) or more voting interest in the Company:</u>	
	Mr. Shafiul Islam	1,86,26,415

Key operating and financial data

The summarized key operating financial data of five years is annexed (Annexure :1).

Annexure : 1

The Key Operating and Financial Data (Consolidated):

Amount in '000 Taka

Particulars	2016	2015	2014	2013	2012
Authorized capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Paid-up capital	957,324	957,324	957,324	854,754	683,803
Face Value Per Share	Tk.10/-	Tk.10/-	Tk.10/-	Tk.10/-	Tk.10/-
Shareholders equity	5,368,570	5,198,109	5,039,089	4,907,609	4,500,177
Fixed asset	1,265,524	1,033,688	785,500	1,087,301	974,465
Turnover (Net)	3,051,578	3,459,065	2,709,873	3,332,170	3,735,217
Gross profit	763,416	840,812	705,854	745,107	775,211
Net profit after tax	267,707	291,928	268,297	351,824	366,655
Total comprehensive income for the period/year	276,763	311,101	268,297	358,835	366,698
Other Information					
Operating cash flow per share	10.44	-8.29	-9.99	2.53	2.57
Book value per share	56.08	54.3	52.64	57.42	65.81
Earning per share	2.80	3.05	4.01	3.53	5.31
Cash dividend	15%	16%	17%	8%	0
Stock dividend	-	-	-	12%	25%
Number of shareholders	34,403	39,159	48,055	45883	42,426

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Corporate Governance Compliance Report

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Compliance Report" is annexed (Annexure :2)

Annexure : 2

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Board's Size	✓		
1.2	Independent Directors:			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		
1.2 (ii) a)	"Independent director" means a director- a) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (ii) b)	who is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her familymembers also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	✓		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	who is 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;	✓		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days.	✓		
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		

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Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.2 (vi)	the 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 Director :			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not applicable
1.4	Chairman of the Board & Chief Executive Officer (CEO)			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	The Directors' Report to shareholders			
1.5 (i)	Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:- 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)	A 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- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not applicable
1.5 (x)	Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		

directors' report to the shareholders

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			Not applicable (Declaring dividends regularly)
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	✓		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) c)	Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit	✓		
1.5 (xxii)	In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:-	✓		
1.5 (xxii) a)	a brief resume of the director;	✓		
1.5 (xxii) b)	nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2	Chief Financial Officer(CFO), Head of Internal Audit and Company Secretary			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		

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Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3	Audit Committee			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	Filling of casual vacancy in the Audit Committee.	✓		
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		
3.3	Role of the 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 along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, 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 submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		

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Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1 (ii) a)	report on conflicts of interests;	✓		
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4	External/Statutory Auditors			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5	Subsidiary Company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		

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Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
6 (i) a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, 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)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

On behalf of the Board of Directors

Sd/-
(Shafiul Islam)
Chairman