

# Report on Corporate Governance

## DBH's Philosophy on Corporate Governance

Corporate governance is based on the principles, systems and practices through which the Board ensures transparency, fairness and accountability in the relationship of a Company with all its stakeholders, viz. shareholders, creditors, depositors, regulators, government agencies, employees, among others. Accordingly, corporate governance is making all the necessary disclosures and decisions, accountability and responsibility towards various stakeholders, complying with all the applicable laws and a continuous commitment of conducting business in a transparent and ethical manner.

At DBH, corporate governance philosophy encompasses not only regulatory and legal requirements, but also other practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders'. We believe that a Company not only has legal, contractual and social responsibilities, but also has obligations towards its non-shareholder stakeholders such as bankers, regulators, government agencies, employees, investors, creditors and customers etc. The Company ensures that all its stakeholders have an access to clear, adequate and factual information on all matters of the Company. The Company is committed towards maintaining the highest standards of governance and believes in adopting best practices and integrity for effective corporate discipline. It promotes accountability of its management and the Board of Directors towards its stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

## Board of Directors

The Board of Directors of the Company plays a key role, as they oversee the functioning of the organization and ensures that it continues to operate in the best interest of all the stakeholders. Thus, the Company strives to keep its Board well-informed, independent and actively involved in the important decision making process pertaining to the Company.

The Board while performing its fiduciary duties recognizes its responsibilities towards its members and other stakeholders to uphold the highest standards in all matters concerning the Company and for the purpose empowers responsible officials to implement its broad policies and guidelines. The Company's business is conducted by its employees under the directions of the Managing Director and overall supervision of the Board.

The Board of DBH comprises of 10 (ten) members of which eight are Non-Executive Nominated Directors and two Independent Directors (the eminent personalities in their respective field). The goal has been to form a Board, which is cohesive and has the expertise for quick and informed decision making.

## Code of Conduct

The Company had framed and adopted a Code of Conduct in accordance with the condition no. 1.2 (v) of the Bangladesh Securities and Exchange Commission's (BSEC's) Corporate Governance Guidelines 2012, which was approved by the Board of Directors in its 70<sup>th</sup> Meeting held on December 27, 2012. With the objective of

enhancing the standards of governance, the Company also adopted separate codes for the members of management and executives of the Company.

For the year under review, all directors and members of senior management have affirmed their adherence to the provisions of the respective codes.

### **Changes in the Board**

BRAC, a Sponsor Shareholder of the Company had nominated Dr. A M R Chowdhury in the vacant position of their nominated Director Mr. Shameran Abed, who was subsequently appointed as Director by the Board on February 23, 2015.

Ms. Rizwana Hasan, Independent Director has completed her 3 (three) years term and being joined the Board of one of the Sponsor of DBH and hence not eligible for acting as an Independent Director of the Company. The Board has appointed Dr. A K A Mubin in her place on September 29, 2015.

### **Board Meetings**

The Company holds at least four Board Meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed three months. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing Resolutions through circulation. During the year under review 4 (four) meetings of the Board were held.

### **Board Committees**

There are two committees constituted by the Board Members to assist the Board in discharging its responsibilities – the Audit Committee and the Executive Committee. The Board at the time of constitution of each committee fixes the terms of

reference for each committee and also delegates power from time to time. The minutes of the meetings of both the committees are circulated to the Board for its information.

### **Audit Committee**

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations besides recommending appointment/ removal of statutory auditors and fixing their remuneration.

The Audit Committee was last reconstituted on September 29, 2015 which is comprised of Mr. M I Chowdhury as the Chairman, Mr. Faruq A Choudhury, Mr. Nasir A. Choudhury, Mr. A Z Mohammad Hossain, and Mr. Sawpan Kumar Sarkar, FCA as its members. A separate report on the activities of the Audit Committee is attached in the page no. 66 to 68 of this report.

### **Executive Committee**

The Executive Committee is authorized to review all the proposals of loans and advances above authority delegated to the Managing Director & CEO.

The Executive Committee was last reconstituted on February 23, 2015 and the members are: Ms. Mehreen Hassan as its Chairperson, Ms. Adeeba Rahman, Dr. A M R Chowdhury, and Mr. Q. M. Shariful Ala, Managing Director & CEO as its members.

### **Role of Independent Directors**

The Independent Directors play a key role in the decision-making process of the Board as they involve in the overall strategy of the Company and oversee the performance of management. The Independent Directors are committed to act

in what they believe is in the best interest of the Company and its stakeholders.

The Independent Directors bring a wide range of experience, knowledge and judgment as they draw on their varied proficiencies in economics, finance, management, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps to foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Head of the Audit Committee is an Independent Director. The Executive Committee also comprises with one independent director. These committees function within the defined terms of reference in accordance with the Acts, Guidelines and the Listing Regulations and as approved by the board, from time to time.

### **Role of the Chairman**

The Chairman serves as the primary link between the Board and Management, and works with the CEO and Company Secretary to set the agenda of the Board Meetings. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently.

### **Chairman & Managing Director/CEO of the Company are different persons**

Chairman of the Board and Managing Director of the Company are different persons with different roles and responsibilities, defined by the Board and thereby preventing unregulated powers of decision making on a single hand. The Chairman is a Non-executive Director while the Managing Director is an Executive Director.

### **Role of the Managing Director & CEO**

The Managing Director & CEO is the key person and is responsible for running the business of the Company. He is also responsible for formulating as well as implementing Board strategy and

policy. The Managing Director is responsible for establishing and executing the Company's operating plans that is necessary to achieve the Company's objectives. He has the overall control on the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company.

### **Delegation of Authority**

There is clearly spelled out delegation of authority in sanctioning loan as well as the operational and capital expenditure with specific task authority relationship. The board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes.

### **Role of the Company Secretary**

Company Secretary is responsible for advising the Board through the Chairman on all governance matters. He is also responsible for ensuring proper information flow with the Board and its Committees and between the management and the non-executive directors. He is also acting as bridge between the regulators/stakeholders and the Company.

### **Internal Control and Compliance**

The Company's internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Company internalized its legal and technical appraisal functions to ensure optimum control. The Company's multi-level authorization structure ensured that higher exposure levels were duly authorized by personnel and committees with requisite experience and authority. Training programs and guidelines helped implement linkage between goals and operations.

The Board has ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks. To mitigate all the risks as well as to establish control environment, the board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board Audit Committee which looks after compliance with the organizational policies by different departments.

DBH made relevant mandatory disclosure in its financial statements under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh, besides that it submits all the reports/statements regularly, which are required to submit to the regulators as well as the other stakeholders of the Company. However, a separate report on Internal Control is given in page no. 64 and 65 of this report.

#### **Role of the Head of Internal Control & Compliance**

The head of Internal Control and Compliance is responsible for reporting to the Board Audit Committee regarding deviations from accounting and internal control system. He is also leading the internal audit team of the Company.

#### **Risk Management**

The Company always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well structured and proactive risk management system is in place within the Company to address the risks relating to credit, market, liquidity and operations. Details of the Risk Management are described at notes 2.28 of the Financial Statements in the page no. 100 of this report.

#### **Accounting Standards**

The Company has complied with the applicable Accounting Standards. The financial statements present fairly, in all material respects and comply with the Financial Institution Act 1993, the Companies Act 1994, the Securities and Exchange Rules 1987 & other applicable laws and regulations.

#### **Secretarial Standards**

The Company has complied with the applicable Secretarial Standards notified by The Institute of Chartered Secretaries of Bangladesh.

#### **Related Party Transactions**

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Detailed transactions with related parties are described at notes- 36 of the Financial Statements in the page no. 119 of this annual report.

#### **Auditors Certificate on Corporate Governance**

The Company has complied with all mandatory requirements of Corporate Governance Guidelines as enumerated in the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and its subsequent amendments by Bangladesh Securities and Exchange Commission. Mr. S. Abdur Rashid FCS, Chartered Secretary in Practice has certified that the Company has complied with the conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines which is annexed in the page no. 63.

#### **Statement of CEO and the Head of Finance regarding Financial Statements**

A separate statement as to the fairness and presentation of the Financial Statements of the Company is given in page no. 83 of this report.

### Annual General Meeting (AGM)

DBH holds General Meeting of shareholders once a year and the Company ensures effective interaction with the shareholders at the Annual General Meeting. The Directors pay special attention in answering the various queries raised by the shareholders at the Annual General Meeting.

Resolutions passed at the previous AGM i.e. 18th Annual General Meeting

Date & Time: November 25, 2014 at 11:00 AM  
Venue: The Eden Ball Room of Hotel Amari, House- 47, Road- 41, Gulshan-2, Dhaka-1212.

Resolutions passed by the shareholders:

- Financial Statements for the year ended June 30, 2014.
- Dividend @ 25% cash.
- Re-election of Directors, named Mr. Faruq A. Choudhury, Mr. A Z Mohammad Hossain, Mr. Rajeev Sardana and Ms. Adeeba Rahman.
- Appointment of M/s. A. Qasem & Co., Chartered Accountants as external auditor of the Company.

### General Information for the Shareholders

The Company's financial results and official news releases are also displayed on the company's website and on the websites of the Dhaka Stock Exchange and Chittagong Stock Exchange and the news required to publish in the daily newspapers are also published accordingly.

### Redressal of Investors complaints

Corporate Affairs Department of DBH is engaged to redress the complaints of the Shareholders and

Investors' related to transfer and transmission of shares, non-receipt of annual reports, dividends and other share related matters. The department also observes the monthly status of the number of shares in physical as well as dematerialized form.

### Going Concern

The Board is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently considers it appropriate to adopt the going concern basis in preparing the financial statements.

### Shareholding Pattern of the Company as on 30th June 2015

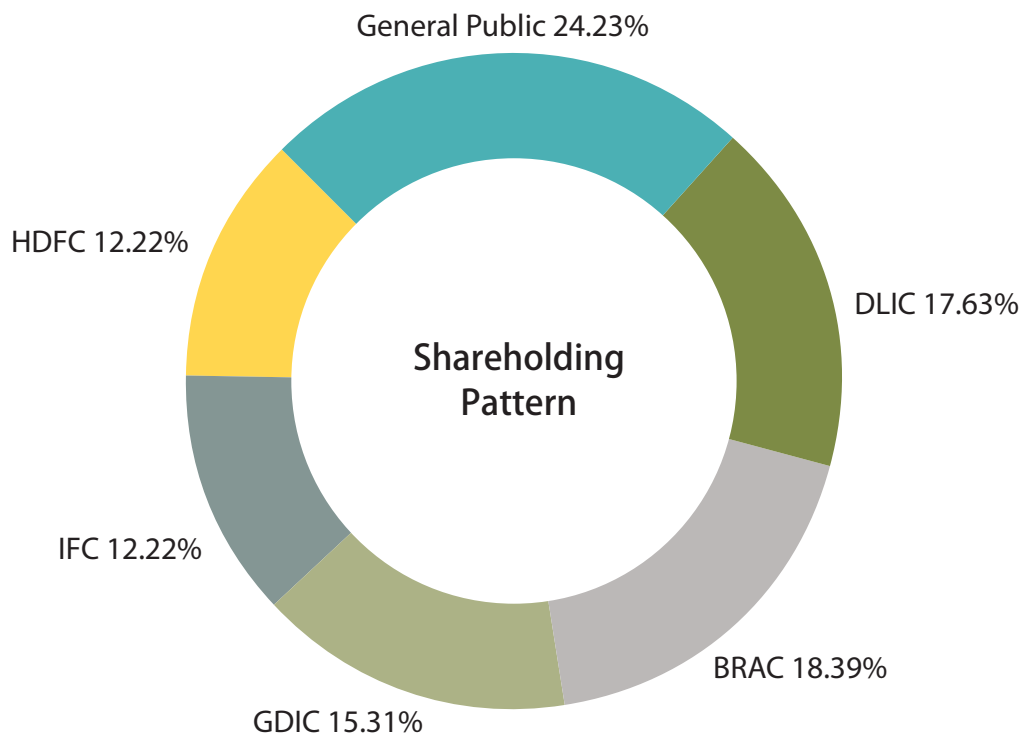
On the basis of shareholders types:

Group Name	No. of Shareholder(s)	No. of Share(s)	Percentage (%)
Sponsors/ Promoters & Pre-IPO Shareholders (Local)	5	59,557,903	51.32
Sponsors/ Promoters & Pre-IPO Shareholders (Foreign)	2	28,367,602	24.45
General Public	2002	3,624,524	3.12
Financial Institutions & Other Companies	115	10,791,201	9.30
Foreign Investors	14	13,708,145	11.81
<b>Total :</b>	<b>2138</b>	<b>116,049,375</b>	<b>100.00</b>

**Distribution schedule of each class of equity security setting out of the number of holders and percentage:**

Shareholding Range	Number of Shareholder(s)	No. of Shares	Percentage(%)
1 - 500	883	182,394	0.16
501 - 5000	1053	1,798,522	1.55
5001 - 10000	76	546,949	0.47
10001 - 20000	51	679,000	0.59
20001 - 30000	17	428,418	0.37
30001 - 40000	9	317,399	0.27
40001 - 50000	7	340,587	0.29
50001 - 100000	10	795,063	0.69
100001 - 1000000	22	7,255,006	6.25
1000001 to above	10	103,706,037	89.36
<b>Total :</b>	<b>2138</b>	<b>116,049,375</b>	<b>100.00</b>

Having reviewed the BSEC's Corporate Governance guideline as last amended on July 21, 2013, the Company's Board issued and signed their declaration of Compliance, a statement of which is given in this report.



## Annexure- A

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

### (Report under Condition No. 7.00)

Condition no.	Title	Compliance status as on June 2015		Remarks
		Complied	Not Complied	
<b>1.0</b>	<b>Board of Directors:</b>			
1.1	Board's Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	√		
<b>1.2</b>	<b>Independent Director:</b>			
1.2 (i)	Independent Director: At least 1/5th	√		
1.2 (ii)	For the purpose of this clause "independent director" means a director:-			
1.2(ii) a	Independent directors do not hold any share or hold less than one percent (1%) shares	√		
1.2(ii) b	Independent directors do not connected with the company's sponsor or director or shareholder who holds 1% or more shares	√		
1.2(ii) c	Independent directors do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated company	√		
1.2(ii) d	Independent directors are not the members, directors or officers of any stock exchange	√		
1.2(ii) e	Independent directors are not the members, directors or officers of any stock exchange or an intermediary of the capital market	√		
1.2(ii) f	Independent directors are/were not the partners or executives during preceding 3 (three) years of any statutory audit firm	√		
1.2(ii) g	They are not the Independent directors in more than 3 (three) listed companies	√		
1.2(ii) h	They are not 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	They are not been convicted for a criminal offence involving moral turpitude	√		
1.2(iii)	The independent directors shall be nominated by the board of directors and approved in the AGM	√		
1.2(iv)	The post of independent directors cannot 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 of the code to be recorded	√		
1.2(vi)	The tenure of office of an independent directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	√		

Condition no.	Title	Compliance status as on June 2015		Remarks
		Complied	Not Complied	
1.3	Qualification of Independent Director (ID):			
1.3(i)	Independent Director shall be knowledgeable individual with integrity, ability to ensure compliance with laws and make meaningful contribution	√		
1.3(ii)	Being a Business Leader/ Corporate Leader / Bureaucrat/ UniversityTeacher (Economics /Business /Law)/Professionals like CA/CMA/CS having 12 years of management/ professional experience	√		
1.3(iii)	In special cases above qualification may be relaxed by the commission			N/A
1.4	Positions of Chairman of the Board and Chief Executive Officer shall be filled by different individuals. The Board shall clearly define the respective roles and responsibilities of the Chairman & CEO.	√		
1.5	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)	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			N/A
1.5(vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments.			N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.			N/A
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			N/A
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 results of its operation, 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 statement and that the accounting estimates are based on reasonable and prudent judgment.	√		

Condition no.	Title	Compliance status as on June 2015		Remarks
		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.			N/A
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.			N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
<b>1.5(xxi)</b>	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:</b>			
1.5(xxi) a	Parent/Subsidiary/Associated Companies and other related parties (name wise details);			N/A
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 (Top 5 salaried employees other than above)	√		
1.5(xxi) d	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
<b>1.5(xxii)</b>	<b>In case of appointment/re-appointment of a director the company shall disclose the following information to the shareholders:</b>			
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.	√		
<b>2.0</b>	<b>Chief Financial Officer, Head of Internal Audit &amp; Company Secretary:</b>			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties	√		
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting	√		

Condition no.	Title	Compliance status as on June 2015		Remarks
		Complied	Not Complied	
<b>3</b>	<b>Audit Committee:</b>			
3 (i)	Audit Committee shall be the 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.	√		
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1(ii)	Constitution of Audit Committee with Board Members including 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 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.	√		
<b>3.2</b>	<b>Chairman of the Audit Committee:</b>			
3.2(i)	Chairman of the Audit Committee shall be an Independent Director	√		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
<b>3.3</b>	<b>Role of Audit Committee:</b>			
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.	√		

Condition no.	Title	Compliance status as on June 2015		Remarks
		Complied	Not Complied	
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.			N/A
<b>3.4</b>	<b>Reporting of the Audit Committee:</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors:</b>			
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;			N/A
3.4.1 (ii) b	Suspected or presumed fraud or irregularity or material defect in the internal control system;			N/A
3.4.1 (ii) c	Suspected infringement of laws, including securities related laws, rules and regulations;			N/A
3.4.1 (ii) d	Any other matter which shall be disclosed to the Board of Directors immediately.			N/A
3.4.2	Reporting to the Authorities			N/A
3.5	Reporting to the Shareholders and General Investors	√		
<b>4</b>	<b>External/Statutory Auditor's Non-Engagement in:</b>			
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.	√		
4 (ix)	Audit/certification services on compliance of CG as required under condition 7(i)	√		
<b>5</b>	<b>Subsidiary Company:</b>			
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.			N/A

Condition no.	Title	Compliance status as on June 2015		Remarks
		Complied	Not Complied	
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.			N/A
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.			N/A
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.			N/A
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
<b>6</b>	<b>Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:			
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.	√		
<b>7</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
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.	√		