

Quarterly Compliance Report on Corporate Governance:

Name of the Company : **Orient Ceramics and Industries Ltd.**

Quarter ended on : **31.12.2011**

Particulars	Clause of Listing Agreement	Compliance status (YES / NO / N.A.)	Remarks
1	2	3	4
I. Board of Directors	49 I		
(A) Composition of Board	49 (I A)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (I B)	Yes	
(C) Other Provisions as to Board and Committees	49 (I C)	Yes	
(D) Code of Conduct	49 (I D)	Yes	
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (II A)	Yes	
(B) Meeting of Audit Committee	49 (II B)	Yes	
(C) Powers of Audit Committee	49 (II C)	Yes	
(D) Role of Audit Committee	49 (II D)	Yes	
(E) Review of Information by Audit Committee	49 (II E)	Yes	
III. Subsidiary Companies	49 (III)	N.A.	
IV. Disclosures	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public, rights, preferential issues etc.	49 (IV D)	N.A.	
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
V. CEO / CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

Details of Clause 49 I – Board of Directors**(A) Composition of Board :**

The Board consists of five Directors, as follows:

Category	No. of Directors	%	Name of Directors
Promoter / Executive Directors	2	40	Mr. Mahendra K. Daga Mr. Madhur Daga
Non-executive and Independent Directors	3	60	Mr. R. N. Bansal Mr. Dhruv M. Sawhney Mr. N. R. Srinivasan

The Chairman of the Board is an Executive Director.

None of the Non-executive and Independent Director of the Company has:

- (a) any material pecuniary relationship or transactions with the Company, its promoters, its senior management and Associate Companies which affects independence of the director;
- (b) any relationship with the promoters or persons occupying management positions at the Board level or at any level below before the Board;
- (c) been an executive of the Company in immediately 3 financial years;
- (d) partnership or is in employment of the statutory audit firm or internal audit firms as well as legal / constitution firm that is associated with the Company;
- (e) relation with the company of the supplier, service provider or customer ;
- (f) substantial shareholding of the Company.

At present, there is no nominee director on the Board of the Company.

(B) Non-executive Directors' Compensation & disclosures:

No compensation other than sitting fees for attending Board/ Committee Meetings and Commission as may be decided by the Board for each Financial Year is being paid to the Non-executive Directors.

The Members at 33rd Annual General Meeting held on 31 August, 2010, had approved the payment of Commission to the Non- Executive Directors up to 1% of the net profit of the Company calculated in accordance with the provisions of Section 349 and authorized Board of Directors to determine the amount of commission which shall be payable to each such Non-executive Director in each year commencing from financial year 2009-10 until financial year 2013-14.

(C) Other provisions as to Board and Committees:

We are always conducting at least four Board Meetings in a year, with a maximum time gap as prescribed in clause 49 between two meetings and shall continue the same. The details of the Board Meeting held between 01.10.2011 to 31.12.2011 are as follows:

Particulars	Meetings held on
4th Quarter	14.11.2011

None of the directors of the Company is a member in more than ten committees or act as Chairman of more than five committees across all Companies in which he is a director.

(D) Code of Conduct:

The Board of Directors in their meeting held on 29.10.2005 has laid down a Code of Conduct for all board members and senior management of the Company and the same has also been posted on the website of the Company. All Board members and senior management personnel affirm compliance with the code on an annual basis.

Details of Clause 49 II – Audit Committee

(A) Qualified and Independent Audit Committee

The Company has an Audit Committee comprising of three members, out of which two are Non-executive and independent Directors, the details as follows:

Name of Member	Category
Mr. R. N. Bansal, Chairman Mr. N. R. Srinivasan Mr. Mahendra K. Daga	Non-executive and Independent Director Non-executive and Independent Director Chairman & Managing Director

All the members of Audit Committee are financially literate and Mr. R. N. Bansal, Chairman has financial management expertise. The Company Secretary acts as Secretary to the Committee.

(B) Meeting of Audit Committee:

During the period from 01.10.2011 to 31.12.2011, the committee met once on 14.11.2011.

(C) Powers of Audit Committee:

The powers of the Audit Committee includes

- (1) To investigate any activity within its terms of reference.
- (2) To seek information from any employee.
- (3) To obtain outside legal or other professional advice.
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Role of Audit Committee:

The role of Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement, besides other terms, which may be referred by the Board of Directors, from time to time. The committee interacts with the statutory & internal auditors from time to time.

(E) Review of information by Audit Committee:

The Audit Committee reviewed the information as mentioned in clause 49 of the listing agreement.

Details of Clause 49 III – Subsidiary Companies

M/s Bell Ceramics Limited is subsidiary company of Orient Ceramics And Industries Limited. M/s Bell Ceramics Limited is listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited and hence the provisions of sub clauses (i),(ii) and (iii) of Clause 49 III are not applicable.

Details of Clause 49 IV – Disclosures

(A) Basis of related party transactions :

Always placed and Reviewed by Audit Committee at the Meeting.

(B) Disclosure of Accounting Treatment :

The Company prepares the financial statements in accordance with Accounting standards.

(C) Board Disclosures :

In the Board Meetings, the Company places the information as suggested in Annexure I A of the revised clause 49.

(D) Proceeds from public issues, rights issues, preferential issues etc. :

No public issue, rights issue, preferential issue etc. made by the company during the quarter ended 31.12.2011.

(E) Remuneration of Directors :

Complied in the 34th Annual Report (2010-2011)

(F) Management :

Complied in the 34th Annual Report (2010-2011)

(G) Shareholders :

Complied in the 34th Annual Report (2010-2011)

Details of Clause 49 V – CEO / CFO Certification

For the Annual Financial Statements relating to financial year 2010-2011, Executive Director of the Company and the Chief Executive Officer, heading finance department of the Company, inter alia duly certified to the Board at its Meeting about the adequacy of financial statements.

Details of Clause 49 VI – Report on Corporate Governance

Complied in the 34th Annual Report (2010-2011). The Company always submits the quarterly compliance report to the stock exchanges within prescribed time and in the prescribed format.

Details of Clause 49 VII – Compliance

The Company has obtained a certificate dated 15.07.2011 from M/s S. R. Dinodia & Co., Chartered Accountants, Statutory Auditors of the Company regarding compliance on corporate governance requirements. The same has been incorporated in the 34th Annual Report (2010-2011).