

Independent Auditor 's Review Report to the Members of Aisha Steel Mills Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Aisha Steel Mills Limited for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.



Chartered Accountants
Karachi

Date: October 06, 2022

UDIN: CR202210133ImjUJSKxv

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Statement Of Compliance With Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year Ended June 30, 2022

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") in the following manner:

1. The total number of elected directors are 8 (Eight) as per the following:
 - a. Male directors : 7
 - b. Female director : 1
2. The composition of Board (including Chief Executive - Deemed director) is as follows:

Category	Names
Independent Directors	Mr. Jawaid Iqbal Ms. Tayyaba Rasheed Mr. Arslan Muhammad Iqbal Mr. Rashid Ali Khan
Other Non-executive Directors	Mr. Arif Habib Mr. Nasim Beg Mr. Kashif A. Habib Mr. Samad A. Habib
Executive Director	Dr. Munir Ahmed (deemed director)
Female Director	Ms. Tayyaba Rasheed (Also mentioned above in the list of Independent Directors)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a Vision/Mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and the Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. Seven directors including the Chief Executive has completed the Directors' Training / Education Program whereas two directors were already exempt from attending the Directors Training Program as per criteria mentioned under Code of Corporate Governance.
10. No new appointments of CFO, Company Secretary or Head of Internal Audit were made during the year.
11. CFO and CEO have duly endorsed the financial statements before approval of the board.
12. The board has formed statutory committees comprising of members given below:

a) Audit Committee :

Mr. Jawaid Iqbal	Chairman
Mr. Kashif A. Habib	Member
Mr. Näsım Beg	Member
Ms. Tayyaba Rasheed	Member

b) HR and Remuneration Committee:

Mr. Rashid Ali Khan	Chairman
Mr. Arif Habib	Member
Mr. Kashif A. Habib	Member

c) Nomination Committee :

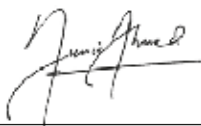
Mr. Arif Habib	Chairman
Mr. Samad A. Habib	Member

d) Risk Management Committee :

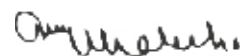
Mr. Arif Habib	Chairman
Dr. Munir Ahmed	Member
Mr. Kashif A. Habib	Member

13. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings of the Committees were as per following:
- a) Audit Committee – Meeting is to be held at least once in every quarter – 4 (Four) meetings of the Committee were held during the financial year.
 - b) HR and Remuneration Committee - Meeting is to be held at least once in every financial year – 2 (Two) meetings of the Committee were held during the financial year.
 - c) Nomination Committee – Meeting is to be held at least once in every financial year – 1 (One) meeting of the Committee was held during the financial year.
 - d) Risk Management Committee – Meeting is to be held at least once in every financial year – 1 (One) meeting of the Committee was held during the financial year.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

For and on behalf of the Board



DR. MUNIR AHMED
Chief Executive



MR. ARIF HABIB
Chairman

Karachi: September 27, 2022