

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: FIRST PUNJAB MODARABA

Year ended: December 31, 2022

The modaraba has complied with the requirements of the Regulations in the following manner:-

1. The total number of Directors are seven as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of the board is as follows:

CATEGORY		NAMES
a.	Independent Directors	Mr. Imran Bashir Ms. Samina Afsar
b.	Non-Executive Directors	Mr. Nadeem Amir Mr. Ijaz ur Rehman Qureshi Mr. Khawar Shahid Ansari Mr. Umar Iqbal Sheikh
c.	Executive Directors	Mr. Aamir Malik
d.	Female Directors	Ms. Samina Afsar <i>(also an independent director)</i>

No changes have been made in the Board during the year. The fraction required for minimum number of independent directors, being 0.33 which is less than 0.5, has not been rounded up as one.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this modaraba;
- 4. The modaraba has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the modaraba along with its supporting policies and procedures;
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the modaraba. 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 modaraba;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these 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 these Regulations;

9. Out of seven (07) directors, following five (06) have obtained certifications under directors training program:

- Mr. Nadeem Amir
- Mr. Ijaz ur Rehman Qureshi
- Mr. Khawar Shahid Ansari
- Mr. Imran Bashir
- Ms. Samina Afsar
- Mr. Aamir Malik

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief financial officer and Chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:-

- a) Audit Committee

Chairman	Mr. Imran Bashir
Member	Mr. Ijaz ur Rehman Qureshi
Member	Ms. Samina Afsar

- b) HR and Remuneration Committee

Chairperson	Ms. Samina Afsar
Member	Mr. Ijaz ur Rehman Qureshi
Member	Mr. Umar Iqbal Sheikh
Member	Mr. Imran Bashir
Member	Mr. Aamir Malik

- c) Risk Management Committee

Chairman	Mr. Ijaz ur Rehman Qureshi
Member	Mr. Umar Iqbal Sheikh
Member	Mr. Aamir Malik

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 committee were as per following:-

Audit Committee	Three
HR and Remuneration Committee	One
Risk Management Committee	Nil

Accounts of the modaraba for half year ended June 30, 2022 were reviewed by Audit Committee along with accounts for quarter ended September 30, 2022 in one meeting;

15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the modaraba;
16. The statutory auditors of the modaraba have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan 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 Institute of Chartered Accountants of Pakistan 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 officer, chief financial officer, head of internal audit, company secretary or director of the modaraba;
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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



NADEEM AMIR  
Chairman



## **INDEPENDENT REVIEW REPORT TO THE CERTIFICATE HOLDERS**

### 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 Punjab Modaraba Services (Private) Limited, the Management Company of First Punjab Modaraba (the Modaraba) for the year ended December 31, 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 Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba'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 Modaraba's and Management Company's personnel and review of various documents prepared by the Management 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 Management Company's corporate governance procedures and risks.

The Regulations require the Management 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 Management Company's compliance, for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended December 31, 2022.



Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note 14, where these are stated in the Statement of Compliance:

Sr.	Reference	Non-Compliance
1	14	The Modaraba held one meeting of Audit Committee for the approval of the half yearly financial statements for the period ended June 30, 2022 and for the quarter ended September 30, 2022, thus resulting in the non-compliance of meeting of Audit Committee at least once in every quarter.

A. F. Ferguson & Co.  
Chartered Accountants  
Place: Lahore  
Date: 02 August 2023  
UDIN: CR202210092xRDocq2eu