



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

Name of Company: HAMID TEXTILE MILLS LIMITED

Year ended: June 30, 2023

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

1. The total number of Directors are seven (7) as per the following
 - a. Male 4
 - b. Female 3
2. The Composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Abid Hussain Mr. Muhammad Amin
Non-Executive Directors	Mrs. Khushbu Ammad Mrs. Nighat Khawar Mrs. Momina Khawar Ali
Executive Directors	Mr. Khawar Almas Khawaja Mr. Muhammad Alamgir

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 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 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 the 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. Some directors have more than 13 years of experience on the Board of listed Company and have relevant qualifications to claim the exemption of Director's training programme and other directors of the Company are planning to take training programme.
10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, during the year. However all such appointment including their remuneration and terms and conditions of employment were duly approved by the Board 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

Names	Designation Held
Mr. Abid Hussain	Independent Director - Chairman
Mrs. Khushbu Ammad	Non-Executive Director
Mr. Muhammad Amin	Independent Director

b) HR and remuneration Committee

Names	Designation Held
Mr. Abid Hussain	Independent Director - Chairman
Mr. Khawar Almas Khawaja	Executive Director
Mr. Muhammad Alamgir	Executive Director



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:
- a) Audit Committee**
Four quarterly meetings were held during the financial year ended June 30, 2023.
- b) HR and Remuneration Committee**
One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2023
15. The Board has outsourced an effective internal audit function that is considered suitably qualified and experienced for the purpose and conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have 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, Internal Auditor, 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 regulation 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with;
19. Explanations for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the Board.	29
2	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and the functions are being performed by the Board.	30
3	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10 (1)

On behalf of the Board

Khan A. Ahmad

Chief Executive

Chaudhry

Chairman

Dated: September 27, 2023



To the Members of Hamid Textile 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 Hamid Textile Mills Limited for the year ended June 30, 2023 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for the above instances of non-compliance, 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, 2023.

Further, we highlight below instance of non-compliance with the requirement of the Regulation as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. #	Paragraph Reference	Description
(i)	9	All directors on their Boards should have Directors' Training till end of June 30, 2022 but till date of this report none of director provided certificate of Director's training orientation course, also company failed to comply with requirements of the regulation 19(3).

HLB IJAZ TABUSSUM & COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: Mrs. Saira Mudassar
UDIN # CR202310189DPiSOTy3h

Dated: September 27, 2023
Place: Lahore