

## **Haji Mohammad Ismail Mills Limited**

409 Commerce Centre, Hasrat Mohani Road, Karachi, Pakistan  
Tel:32638521-3 E.mail:info@hmiml.com

### **Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019**

Name of Company: HAJI MOHAMMAD ISMAIL MILLS LIMITED

Year Ending: 30th June, 2022

The company 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: 7
- b. Female: 0

2. The composition of board is as follows:

- a. Independent Directors: Mr.Gulzar Siddiq  
Mr.Noman Mustafa Zuberi
- b. Non-executive directors: Mr.Mr.Muhammad Sadiq  
Mr.Muhammad Irfan  
Mr.Ali Asghar
- c. Executive Director: Mr.Farrukh Shafiq  
Mr.Muhammad Sarfraz

Fraction (0.33) related to the requirement for number of Independent Directors is less than 0.5 and therefore, has not been rounded up to one.

- 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 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 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 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. The company has on its board two directors those are exempt from directors' training program. The remaining directors' training certification depends on the decision of the High Court of Sindh in the matter of winding up of the company;
10. There is no new appointment during the year. The board has approved appointment of CFO, 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. CFO and CEO duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:

Audit Committee:	Mr. Noman Mustafa Zuberi	Chairman
	Mr. Mohammad Irfan	Member
	Mr. Muhammad Sadiq	Member
HR & Remuneration Committee:	Mr. Gulzar Siddiq	Chairman
	Mr. Muhammad Sadiq	Member
	Mr. Ali Asghar	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:
 

Audit Committee:	4 quarterly meetings.
HR & Remuneration Committee	1 annual meeting.
15. The board has set up an effective internal audit function with suitably qualified and experienced personal for the purpose and are 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 Officer, 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 Regulations 3,6,8,27,32,33 & 36 of the Regulations have been complied with;
19. Explanation for non-compliance with the requirements of regulation 7 is given below.

Requirement: One Female Director

Explanation: Company invited female director at the time of election of directors. Non of the candidate applied for as there was restriction on transfer of shares by

PSX  
  
Gulzar Siddiq  
Chairman

  
Farukh Shafiq  
Chief Executive

Karachi: Oct.03, 2022

**Naveed Zafar Ashfaq Jaffery & Co.**  
**Chartered Accountants**

A Member firm of



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**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 **Haji Mohammad Ismail Mills Limited** (the Company) 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 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, 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.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the statement of compliance:

**Paragraph reference    Description**

**7                                    The company does not have a Female director**

Chartered Accountants  
Engagement Partner: **Azeem H. Siddiqui – FCA**

Karachi :

Dated : October 3, 2022

UDIN : CR202210232Hem4IGJtP