

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: 6 (six)
- b) Female: 1 (one)

2. The composition of board is as follows:

Category	Name
Independent Directors*	Mr. Masud Arif Mrs. Azra Yaqub Vawda
Non-Executive Directors	Mr. Muhammad Idrees Allawala Mr. Rizwan Idrees Allawala Mr. Muhammad Israel
Executive Directors	Mr. S. M. Mansoor Allawala Mr. Omair Idrees Allawala

* The requirement of Independent Directors is at least two or one-third of members of the Board, whichever is higher. Two independent directors were appointed / elected on the Company's Board and the fraction of 0.33 was not rounded up as one since the Board considers that the two Independent Directors have adequately protected the interests of the minority shareholders.

* Subsequent to year end, a casual vacancy has arisen due to the demise of a Non-Executive Directors (Mr. Muhammad Israel), which is not yet filled by the company

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 dates 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their Director's training program. Three members of the Board have the prescribed qualifications and experience required for exemption from training program of Directors pursuant to Regulation 19(2) of the CCG. Remaining four members have also completed the Director's Training Program.
10. There was no fresh appointment of Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HOIA) during the year ended June 30 2022. The board has approved appointment of CFO, CS and HOIA, 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. The board audit committee and the Board Human Resource & Compensation committee are chaired by independent director:

a) Audit Committee

i. Ms. Azra Yaqub Vawda	Chairman
ii. Mr. Masud Arif	Member
iii. Mr. Rizwan Idrees Allawala-	Member

b) Human Resource and Remuneration Committee

i. Mr. Masud Arif	Chairman
ii. Ms. Azra Yaqub Vawda	Member
iii. Mr. Rizwan Idrees Allawala-	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 committee were as per following:

Committee	Frequency of meetings
Audit Committee	Quarterly – Four Meetings
HR and Remuneration Committee	Annually – One Meeting

15. The board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced 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 the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation with respect to compliance with non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is specified below:

S. No.	Requirement	Explanation	Regulation No.
1.	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.	The Terms of Reference for Risk Committee are covered by the Board of Directors, which in its quarterly meetings to reviews the effectiveness of the Company's risk management procedures, therefore, a separate committee is not considered necessary.	30
2.	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The Terms of Reference for Nomination Committee are covered by the Human Resource and Remuneration Committee, which timely apprises the Board with regard to any changes therefore a separate committee is not considered necessary.	29

For and on behalf of the Board



S M MANSOOR ALLAWALA

Chief Executive

Dated: October 5, 2022



MUHAMMAD IDREES ALLAWALA

CHAIRMAN

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF IDREES 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 **Idrees Textile 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. 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.

Yours truly,


Chartered Accountants

Date: October 06, 2022