

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

Year Ended June 30, 2023

Ismail Industries Limited

Ismail Industries Limited (hereinafter referred to as “the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, (“the Regulations”) in the following manner:

1. The total number of directors are seven as per the following:
  - a) Male: Six\*
  - b) Female: One

\* Male directors include CEO.

2. The composition of the Board is as follows:

Category	Name
Independent Directors*	Mr. Muhammad Zubair Motiwala
	Ms. Tasneem Yusuf
Non-Executive Directors	Mr. Muhammad M. Ismail
	Mr. Maqsood Ismail Ahmed
	Mr. Hamid Maqsood Ismail
Executive Directors	Mr. Munsarim Saifullah
	Mr. Ahmed Muhammad
Female Director	Ms. Tasneem Yusuf

\* Regulation 6(1) of the Regulations stipulates the mandatory requirement for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. The current Board of Directors of the Company comprises seven members, which constitutes 2.33 as one-third of total number of directors. As the fractional value falls below 0.5, rounding up to one is not warranted. This is particularly so due to the fact that the present independent directors possess the requisite skills, knowledge, and diversified work experience essential for rendering independent decisions in the best interests of 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 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 and mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the 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 Companies Act, 2017, (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. All Directors of the Company have completed or are exempted from the requirements of the Directors' Training program.
10. The Board had approved the 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. The 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
    - Ms. Tasneem Yusuf - Chairperson
    - Mr. Muhammad M. Ismail - Member
    - Mr. Maqsood Ismail Ahmed - Member
  - b) Human Resource and Remuneration Committee
    - Mr. Muhammad Zubair Motiwala - Chairman
    - Mr. Maqsood Ismail Ahmed - Member
    - Mr. Hamid Maqsood Ismail - 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 – 5 meetings held during the year
  - b) Human Resource and Remuneration Committee – 2 meetings held during the year
15. The Board has set up an effective internal audit function who are considered 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, 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 firms 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.



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**MUHAMMAD M. ISMAIL**

Chairman

Karachi: September 08, 2023

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries 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 Ismail Industries Limited (the Company) 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. 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, 2023.



**Grant Thornton Anjum Rahman**

Chartered Accountants

Karachi

Dated: September 15, 2023

UDIN: CR2023101548AdfeoL6g