

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Ittefaq Iron 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 **Ittefaq Iron Industries Limited** 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, except for non-compliance to Regulation No. 18 and 19, 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.

Reference of Regulation	Description	Explanation
18,19	The required number of Directors have not participated in the Director Training Programme.	According to Regulation by June 30, 2022 at least half of the directors on the panel of Board of directors must have gone through Director Training Programme.





Place: Lahore Date: September 26, 2022 UDIN: CR2022102086x0GmXPfp



ITTEFAQ IRON INDUSTRIES LTD.



With Listed Companies (Code of Corporate Governance) Regulations, 2019

For The Year Ended: June 30, 2022

Ittefaq Iron Industries Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the followings manner:

1. The total number of directors are 7(Seven) as per the following:

a) Male :	5	(FIVE)
b) Female :	2	(TWO)

2. The composition of board is as follows:

a) Independent Directors:

Mr. MUHAMMAD MUBASHIR IQBAL Mr. KHURRAM JAMIL

b) Other-Non Executive Director:

Mr. TAYYAB ALI Mrs. WAJEEHA SHAHZAD Mrs. SOBIA IRSHAD

c) Executive Director

Mian Muhammad Pervaiz Shafi Mr. Shahzad Javed

3. The Directors have confirmed that none of them is serving as Director on more than five (5) listed companies including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

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. A complete record of particulars of significant policies along with the dates on which they were approved amended has been maintained.

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 Boardfor this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording minutes of meeting of the Board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Company takes keen interest in the professional development of its Board members. In House training have been arranged for Board members, however, none of the directors of the company have attended Directors' Training Program. The management is conscious of its responsibilities and is hopeful that the training of all directors shall be completed before June 30, 2022.

10. The Board has approved appointment of Chief Financial Officer during the year his remuneration and terms and conditions of employment. There were no new appointments of Company Secretary and Head of Internal Audit during the year.

11. 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.

12. FCO and CEO duly indorsed the financial statements before approval of the board.

13. The board has formed committees comprising of members given below:)

a) Audit Committee

Mr. Muhammad Mubashir Iqbal	Chairman of the Committee
Mr. Imran Khan	Secretary of the Committee
Mr. Khurram Jamil	Member
Ms. Tayyab Ali	Member
Ms. Sobia Irshad	Member

ITTEFAQ IRON INDUSTRIES LTD.



a) Human Resources & Remuniration Committee

Mr. Muhammad Mubashir Iqbal Ms. Tayyab Ali Ms. Wajeeha Shahzad Chairman of the Committee Member Member

14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

rs. The frequency of meeting of the committee were as per following.					
Committee	Frequency requirement	Meeting Held			
(a) Audit Committee	Meeting is to be held at least once in every quarter	(Four) Meetings of the committee were held during the year.			
(b) Human resources and Remuneration Committee	Meeting is to be held at least once in every financial year	(Two) Meetings of the committee were held during financial year.			

15. The frequency of meeting of the committee were as per following:

16. The board has set up an effective internal audit function. The auditors are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

1 7. The statutory auditors of the Company has confirmed he has been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with international Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

18. The statutory auditor has not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditor has confirmed that he has observed IFAC guidelines in this regard.

19. Explanation for non-compliance with requirements, other than regulation 3, 6,7,8,27,32,33 and 36 are below (if applicable)

Non-Mandatory Requirement	Reg. No.	Explanation
Representation of Minority shareholders: The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
Responsibilities of the Board and its members: Adoption of the corporate governance practices	10 (1)	Non-mandatory provisions of the CCG Regulations are partially compiled
Nominations 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.	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the function are being performed by the Executive Committee.
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.	30(1)	Currently, the Board has not constituted a Risk Management Committee and the Company's Risk Management Officer performs the requisite functions and apprises the board accordingly.

20. We confirmed that all other requirements of the regulations have been complied with.

For and on behalf of the Board.

M. Percer ste.

Mian Muhammad Pervaiz Shafi Chairman

Lahore: Dated September 26, 2022

for foi

Shahzad Javed Chief Executive Officer