

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

**J. A. TEXTILE MILLS LIMITED**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

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

- a. Male: 6 members
- b. Female: 1 members

2. The composition of the board is as follows:

Category	Names
a) Independent Director	Mr. Riaz Ahmed Mr. Liaqat Ali Qamar
b) Other Non-executive Directors	Ms. Kurrat ul Ain Zahid Mr. Anwar ul Haq Mr. Muhammad Ali
c) Executive Directors	Mr. Imran Zahid Mr. Zahid Anwar
d) Female Directors	Ms. Kurrat ul Ain Zahid

**Note:-**

For a board comprising of seven members, one third equates to 2.33. Two independent directors have been appointed, however, the fraction of 0.33 in such one third is not rounded up as one since the fractions is below half (0.5);

3. The directors have confirmed that none of them is serving as a director on more than Seven 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. The Board has ensured that complete record of particulars of the 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 of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The directors were apprised about the changes in the Code, applicable laws and their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of the shareholders. Four directors of the Company having 14 years of education and 15 years of experience are exempt from the requirement of directors' training program, under purview of regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, whereas, three board members do not qualify for exemption. The Company will arrange the training program for the directors as provided under the Regulations in future.
10. The Board has approved 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. 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**

1. Mr. Riaz Ahmed (Chairman)
2. Mr. Muhammad Ali (Member)
3. Ms. Kurrat ul Ain Zahid (Member)

**b) HR and Remuneration Committee**

1. Mr. Muhammad Ali (Chairman)
2. Mr. Imran Zahid (Member)
3. Mr. Liaqat Ali Qamar (Member)

13. The terms of reference of the audit committee and HR and Remuneration Committee have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

**a) Audit Committee**

The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Regulations.

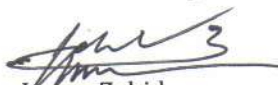
**b) HR and Remuneration Committee**

The meeting of the HR and Remuneration Committee was held once during the year.

15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is 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 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, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below.

Sr. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1	<b>Directors' Orientation Program.</b> All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	19	Four directors of the Company having 14 years of education and 15 years of experience are exempt from the requirement of directors' training program, under purview of regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, whereas, three board members do not qualify for exemption. The Company will arrange the training program for the directors as provided under the Regulations in future.

  
Imran Zahid  
(Chief Executive)

  
Riaz Ahmed  
(Director)

Place: Faisalabad.  
October 07, 2022

**ARSHAD RAHEEM & Co**  
Chartered Accountants

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**REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN LISTED  
COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**


We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **J. A. 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 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 part of our audit of 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 effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before 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 approval of related party transaction by the Board of Directors upon recommendation of 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**.

  
ARSHAD RAHEEM & CO.  
CHARTERED ACCOUNTANTS  
LAHORE;

DATED: 07 OCT 2022