

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

Name of Company JANANA DE MALUCHO TEXTILE MILLS LIMITED (THE COMPANY)

Year Ended 30<sup>TH</sup> JUNE 2022

The Company has complied with the requirements of the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), in the following manner:

1. Total number of directors is Seven, as per following:

a. Male: 5

b. Female: 2

2. The composition of the Board of Directors (the Board) is as follows:

CATEGORY	NAMES
Independent Directors*	Brig. (Retd) Abdul Samad Khan Col. (Retd) Syed Yunus Ali Raza
Non-executive Directors	Mr. Ahmad Kuli Khan Khattak Mr. Gohar Ayub Khan
Executive Director	Lt. Gen. (Retd) Ali Kuli Khan Khattak
Female Directors	Mrs. Shahnaz Sajjad Ahmad Dr. Shahin Kuli Khan Khattak

\* Fractional requirement for Independent Directors has not been rounded up as one and presently the Company has two Independent Directors. The BOD feels that two Independent Directors are sufficient to maintain independence at the present Board level in order to accomplish its determined goals, therefore, the appointment of a third Independent Director is not warranted.

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters taken by the Board/or members of the company as provided under 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Four of our directors have already acquired the requisite certification under Directors' Training Program (the Program), whereas, one director is exempt from the training program.

*The Remaining two directors, have not undertaken the requisite training program mainly due to Covid situation being faced by the country. They could not attend any DTP due to their busy schedule. However, both the directors will be joining the program whenever these are announced by the approved institutions at Lahore and Islamabad.*

10. The Board has approved appointment of Chief Financial Officer (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 Chief Executive Officer (CEO) have duly endorsed the financial Statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

#### Audit Committee

- |    |                                 |          |
|----|---------------------------------|----------|
| a) | Brig. (Retd) Abdul Samad Khan   | Chairman |
| b) | Mr. Ahmad Kuli Khan Khattak     | Member   |
| c) | Col. (Retd) Syed Yunus Ali Raza | Member   |

#### Human Resource and Remuneration Committee

- |    |                                       |            |
|----|---------------------------------------|------------|
| a) | Col. (Retd) Syed Yunus Ali Raza       | Chairman   |
| b) | Lt. Gen. (Retd) Ali Kuli Khan Khattak | CEO/Member |
| c) | Mr. Ahmad Kuli Khan Khattak           | Member     |
| d) | Mrs. Shahnaz Sajjad Ahmad             | Member     |

13. The terms of reference of the aforesaid committees have been formed, documented and passed on to the Committees for ensuring compliance.

14. The frequency of meetings of the committees were as per following:

- |                                  |           |
|----------------------------------|-----------|
| a) Audit Committee               | Quarterly |
| b) HR and Remuneration Committee | Yearly    |

15. The Board has set up an effective internal audit department, its officers possess requisite qualification and experience for the responsibilities 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 are registered with the Audit Oversight Board of Pakistan, that none of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the Audit Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 the IFAC's guidelines in this regard.

18. We confirm that all other requirements of the Regulations Nos.3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

On behalf of the Board of Directors



Brig. (Retd.) Abdul Samad Khan  
Director



Lt. Gen. (Retd.) Ali Kuli Khan Khattak  
Chief Executive Officer

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF  
JANANA DE MALUCHO 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 **JANANA DE MALUCHO 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.

LAHORE; September 22, 2022  
UDIN: CR202210195gOZFTsEjU

*Shinewing Hameed Chaudhri & Co.*

**SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS**