



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

Name of Company: Jubilee Spinning & Weaving Mills Limited

Year Ended: 30 June 2023

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

1. The total number of Directors are seven (07) as per the following:

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

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Adnan Amjad Mr. Muhammad Akbar Khan
Non-Executive Directors	Mr. Shaukat Shafi (Chairman) Mr. Tariq Shafi Ms. Sana Salman
Executive Director	Mr. Shams Rafi (Chief Executive Officer) Mr. Salman Rafi

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 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 the 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 have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. Following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

Sr. No.	Name of Directors
1.	Mr. Shaukat Shafi
2.	Mr. Shams Rafi
3.	Mr. Salman Rafi
4.	Mr. Tariq Shafi
5.	Mr. Adnan Amjad

Following Directors do not meet the exemption criteria; hence they will complete the Directors' training program in the ensuing financial year in accordance with the Regulations:

Sr. No.	Name of Directors
1.	Mr. Muhammad Akbar Khan
2.	Ms. Sana Salman

10. The Board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Further, the position of Head of Internal Audit is vacant till the reporting date;



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

Names	Designation held
Mr. Adnan Amjad	Chairman
Mr. Shaukat Shafi	Member
Ms. Sana Salman	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Adnan Amjad	Chairman
Mr. Salman Rafi	Member
Mr. Shaukat Shafi	Member

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

a) Audit Committee

Four quarterly meetings were held during the financial year ended 30 June 2023.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee were held during the financial year ended 30 June 2023.



15. The Board has not set up an effective internal audit function that 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 have been complied with, except for the following:
 - a) the Independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5;
 - a) Regulation 27(5) requires that the secretary of audit committee shall circulate the minutes of meetings of the audit committee to all members, directors, head of internal audit and where required to chief financial officer prior to the next meeting of the Board. Provided that where this is not practicable, the Chairman of the audit committee shall communicate a synopsis of the proceedings to the Board and the minutes shall be circulated along with the minutes of the meeting of the Board. However, Audit committee minutes are not circulated to all the respective persons.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:



Sr. No.	Requirement	Explanation of Non-compliance	Regulation No.
1.	Representation of Minority shareholders The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
2.	Responsibilities of the Board and its members The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.	Annually, the Board has not evaluated its own performance, member of the Board and its committees.	10 (3)
3.	Responsibilities of the Board and its members: The Chairman of the Board shall, at the beginning of term of each director, issue letter to directors setting out their role, obligations, powers and responsibilities in accordance with the Act and the company's Articles of Association, their remuneration and entitlement.	Since all the directors have been re-elected, issuance of fresh letter has not been considered appropriate. All the directors are experienced and are well aware of their role, obligations, powers and responsibilities in accordance with the Act and applicable Rules.	10 (5)
4.	Minutes of Board Meeting As per section 178(4) of Companies Act, 2017, minutes of meeting shall be furnished within fourteen days of the date of meeting.	Minutes of the Board meetings are circulated as per the regulations. However, circulation summary or notes shall be separately maintained for the next meetings.	12 (1)
5.	Directors' Orientation Program All companies shall make appropriate arrangements to	Currently, the Company has not made any arrangement for orientation program. However, the Company shall	



	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.	carry out the said program in due course.	18
6.	Directors' Training It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Out of seven, four Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program. However, remaining directors will attain the certification in due course.	19 (1)
7.	Directors' Training Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training program from July 2022.	The company has planned to arrange Directors' Training program certification for head of department in next years.	19 (3)
8.	Approval of Head of Internal Audit The Board shall appoint, determine remuneration, renew contracts and terms and conditions of employment of head of internal audit of the company.	Position of Head of Internal Audit is vacant till the reporting date. The Company will make sure the compliance of the said regulation in due course.	20
9.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of	Currently the board has not constituted a separate nomination committee and	29 (1)



	such number and class of directors, as it may deem appropriate in its circumstances.	the functions are being performed by the human resource and remuneration committee.	
10.	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.	Currently, the Board has not constituted a separate Risk Management Committee and the function are being performed by the Board	30 (1)
11.	Composition of internal audit function There shall be an internal audit function in every company.	Currently, the Company is in process to set up an effective internal audit function. The Company would comply with this requirement of the Regulations in the next financial year.	31
12.	Disclosure of significant policies on website The company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the director's remuneration policy.	Although, these were circulated among the relevant employees and directors, the Board shall consider positing such policies and synopsis on its website in near future.	35
13.	Directors' Report The directors in their report to members shall include, Composition including the following; (a) Independent directors; (b) Non-executive directors; (c) Executives directors; (d) Female director; And	Currently, the company is in process to state the composition and remuneration policy of non-executive directors including independent directors. The Company would comply with these requirements of the Regulations in the next financial year.	34 (2) (i & iv)



	Shall state the remuneration policy of non-executive directors including independent directors, as approved by the Board, which shall also include disclosing the significant features and elements thereof.		
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Shaukat Shafi
Chairman

Date: October 04, 2023
Karachi



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jubilee Spinning & Weaving 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 Jubilee Spinning & Weaving Mills Limited (the Company) for the year ended 30 June 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 Regulations as applicable to the Company for the year ended 30 June 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:



Sr. No.	Paragraph reference	Description
(i)	18	The number of independent directors appointed is less than the number prescribed by the Regulations i.e., at least two or 1/3 members of the Board, whichever is higher and is not rounded up as one.
(ii)	18	<p>As per regulations 27(5) of the Regulations, the secretary of audit committee shall circulate minutes of meetings of the audit committee to all members, directors, head of internal audit and where required to chief financial officer prior to the next meeting of the Board:</p> <p>Provided that where this is not practicable, the chairman of the audit committee shall communicate a synopsis of the proceedings to the Board and the minutes shall be circulated along with the minutes of the meeting of the Board. However, Audit committee minutes are not circulated to all the respective persons. Circulation summary or notes shall be separately maintained for the next meetings.</p>

RIAZ AHMAD & COMPANY

Chartered Accountants

KARACHI

Date: October 04, 2023

UDIN: CR202310045x5OSZYMQR