



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

**Name of Company: Quetta Textile Mills Limited**  
**Year ended June 30, 2023.**

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

1. The total numbers of directors are (07) as per the following
  - a) Male 6
  - b) Female 1
2. The Composition of board is as follows:
  - a) Independent Director Mr. Muhammad Sarfraz.  
Mr. Abbas Ali
  - b) Non-executive Mr. Tauqir Tariq  
Mr. Asim Khalid
  - c) Executive Mr. Tariq Iqbal  
Mr. Omer Khalid
  - d) Female Director/ Non-Executive Mrs. Saima Asim
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 significant policies along with the dates of approval or 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 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. All the directors meet the requirements of Director training program under code of Corporate Governance Regulation 2019.
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

Mr. Muhammad Sarfraz	Chairman / Independent Director
Mr. Tauqir Tariq	Member / Non-Executive Director
Mr. Asim Khalid	Member / Non-Executive Director

b) HR and Remuneration Committee

Mr. Abbas Ali	Chairman / Independent Director
Mr. Asim Khalid	Member / Non-Executive Director
Mrs. Saima Asim	Member / Non-Executive Director

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 (quarterly/half yearly / yearly) of the committee were as per following:

a) Audit Committee	Four quarterly meeting
b) HR and Remuneration Committee	Once a year

15. The Board has set up an effective internal audit function, which has suitable, qualified and experienced staff.

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 Accountant 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 Auditor, Company Secretary or Director of the Company.

17. The statutory auditors or other persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regards.

18. We confirm that all other 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 3, 6, 7, 8, 27, 32, 33 and 36 are below.

- The Independent Director Mr. Abbas Ali could not attend the Directors' Training Program as per required regulation, due to unavoidable circumstances. However, he will arrange early as possible.
- The calculation of minimum number of Independent Directors as per regulation no 6(1), is calculated on basis of general rule only number exceeding 0.5 shall be rounded to next number.

Karachi:

Dated: October 03, 2023

**TAUQIR TARIQ**  
Chairman

# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

To the member of Quetta Textile Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulation, 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 **Quetta Textile 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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

Karachi:  
Dated: 03<sup>rd</sup> October 2023  
UDIN: CR202310043nbfoKjXDt

  
MUSHTAQ & CO.  
Chartered Accountants  
Engagement Partner:  
Zahid Hussain Zahid FCA

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