

# INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SHEZAN INTERNATIONAL 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 Shezan International 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.

Lahore:  
02 October 2023.  
UDIN: CR2023100793avmJILj1



Chartered Accountants  
Engagement Partner

**Ahsan Shahzad**

# STATEMENT OF COMPLIANCE

## WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE 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 as follows:
  - a. Male: Eight (08)
  - b. Female: One (01)
2. The composition of Board is as follows:

Independent Directors	Mr. Shahid Hussain Jatoi <sup>1</sup> Mr. Nauman Khalid <sup>1</sup> Mr. Ahsan Ali Malik <sup>2</sup> Mr. Abdul Hamid Ahmed Dagia <sup>3</sup>
Other Non-Executive Directors	Mr. Muneer Nawaz <sup>1&amp;4</sup> Mr. M. Naeem <sup>1</sup> Mr. Rashed Amjad Khalid <sup>1</sup> Mr. Abid Nawaz <sup>1</sup>
Executive Directors	Mr. Humayun A. Shahnawaz <sup>2&amp;4</sup> Ms. Manahil Shahnawaz <sup>1</sup>
Female Director	Ms. Manahil Shahnawaz <sup>1</sup>
3. The Directors have confirmed that none of them is serving as a Director on more than seven (07) 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 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 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 (04) Directors of the Company have minimum (fifteen) 15 years of education and sixteen (16) years of experience on the Board of a listed Company and they are exempt from Directors' Training Program. Three (03) Directors have acquired certification under the Directors' Training Program. The Company, however, intends to

facilitate further training for the remaining Directors in near future as defined in these Regulations;

10. There were no new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year, however, all such appointments including their remuneration and terms and conditions of employment are duly approved by the Board;
11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

### Audit Committee

Mr. Shahid Hussain Jatoi*	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Rashed Amjad Khalid	Member

### Human Resource and Remuneration Committee

Mr. Nauman Khalid**	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Humayun A. Shahnawaz	Member

\* Consequent to Election of Directors held on 22 June 2023, the Board of Directors in their meeting held on 05 July 2023 has reconstituted Audit Committee, wherein Mr. Shahid Hussain Jatoi, an Independent Director, has been re-appointed as the Chairman of Audit Committee.

\*\* Consequent to Election of Directors held on 22 June 2023, the Board of Directors in their meeting held on 05 July 2023 has reconstituted Human Resource and Remuneration Committee, wherein Mr. Nauman Khalid, an Independent Director, has been re-appointed as the Chairman of Human Resource and Remuneration Committee.

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 (04)
b) Human Resource and Remuneration Committee	Two (02)
15. The Board has set up an effective internal audit function with suitably qualified and experienced staff 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, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;

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;

17. The statutory auditors or the persons associated with

18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than 3, 6, 7, 8, 27, 32, 33, and 36 are below:

Non-Mandatory Requirement	Regulation. No.	Explanation
<p><b>Nomination Committee:</b></p> <p>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.</p>	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource and Remuneration Committee.
<p><b>Risk Management Committee:</b></p> <p>The Board may constitute the risk management committee, of such numbers 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.</p>	30(1)	Currently, the Board has not constituted a Risk Management Committee and the Company's Risk Manager performs the requisite functions and apprise the Board accordingly.



**Muneer Nawaz**  
Chairman



**Humayun A. Shahnawaz**  
Chief Executive

Lahore:  
28 September 2023.

- 1 Mr. Muneer Nawaz, Mr. M. Naeem, Mr. Rashed Amjad Khalid, Mr. Abid Nawaz, Mr. Nauman Khalid, Mr. Shahid Hussain Jatoi and Ms. Manahil Shahnawaz have been re-elected by the shareholders as Directors in election held on 22 June 2023 for a term of three (03) years commencing from 28 June 2023.
- 2 Mr. Humayun A. Shahnawaz and Mr. Ahsan Ali Malik have been elected by the shareholders as Directors in election held on 22 June 2023 for a term of three years commencing from 28 June 2023.
- 3 Mr. Abdul Hamid Ahmed Dagia has retired on 27 June 2023 after completion of his term.
- 4 The Board of Directors in their meeting held on 05 July 2023 has re-elected Mr. Muneer Nawaz as Chairman of the Board and re-appointed Mr. Humayun A. Shahnawaz as the Chief Executive for a term of three years commencing from 05 July 2023.