

PENALTIES IMPOSED

The details of the penalties imposed by the SECP during the year are tabulated below:

<i>DATE OF ORDER</i>	<i>SECTIONS OF COMPANIES ACT 2017 APPLIED</i>	<i>EXTENT OF PENALTY</i>	<i>STEPS TAKEN FOR RECTIFICATION OF DEFAULT</i>
08 JUNE, 2022	SECTIONS 492 READ WITH SECTION 476	RS 200,000	THE COMPANY HAS FILED AN APPEAL AGAINST THE ORDER

STATEMENT OF COMPLIANCE -CORPORATE GOVERNANCE

1. The total number of directors are 7 (Seven), Comprising::
 - a. Male: - 5 (Five)
 - b. Female - 2 (Two)
2. The composition of the Board is as follows:
 - a) Independent Directors 2 (two)
 - b) Other Non-executive Directors 4 (four)
 - c) Executive Directors 1 (one)
3. The directors have confirmed that none of them is serving as a director on more than five 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.
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 Chairperson and, in her 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 of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Company has not been able to arrange Directors' Training program during the year due to its financial constraints
10. The board has in the normal course approved appointment of 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. The CFO and CEO duly endorsed the financial statements before approval of the board.

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

a) Audit Committee (Name of members and Chairman)	b) HR and Remuneration Committee (Name of members and Chairman)
Chairman - Mr. Syed Ibrahim Ahmad Member : Mrs. Neelum Sohail Shaikh Member : Mrs. Sadia Mohsin Shaikh	Chairman - Mr. Syed Ibrahim Ahmad Member : Mr. Sohail Farooq Shaikh Member : Mrs. Sadia Mohsin Shaikh

c) Nomination Committee (if applicable) Not Applicable

d) Risk Management Committee (if applicable) Not Applicable

13. The frequency of meetings (quarterly/half yearly/ yearly) of the committee, were as per following:

a) Audit Committee 4

b) HR and Remuneration Committee 2

c) Nomination Committee (if applicable) NA

d) Risk Management Committee (if applicable).NA

14. The Company has an effective internal audit function. The Company's internal auditor has a B.Com degree and 13 years of experience and is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

16. 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

17. The Board has on the recommendation of the Audit Committee, proposed M/s Crowe Hussain Chaudhry & Co to be appointed Auditors for the year ending 30 June 2023 at an agreed remuneration.

18. We confirm that all other requirements of the Regulations have been complied with.



CHIEF EXECUTIVE OFFICER /
DIRECTOR

APPROVED BY BOARD ON 25th OCTOBER 2022

**INDEPENDENT AUDITOR'S REVIEW REPORTS
To the members of Suhail Jute 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 Suhail Jute Mills Limited 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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.

**Place: Islamabad
Dated: 27th October 2022
UDIN: CR202210592Wt2zpK6Yq**

**CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)**