

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

**Name of Company:** Tata Textile Mills Limited

**Year ended:** June 30, 2022

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

1. The total number of directors are Nine as per the following
  - a. Male: Seven
  - b. Female: Two
2. The composition of board is as follow:

	Category	Names
i.	Independent Directors	Mr. Mazhar Valjee
		Mr. Farooq Advani
		Mr. Muhammad Jawaid Iqbal
		Mr. Tayyeb Afzal
ii.	Non-Executive Directors	Mr. Bilal Shahid Tata
		Ms. Shahbano Hameed
		Ms. Samar Shahid Tata
iii.	Executive Directors	Mr. Shahid Anwar Tata (CEO)
		Mr. Adeel Shahid Tata
iv.	Female Directors	Ms. Shahbano Hameed
		Ms. Samar Shahid

The independent director meets the criteria of independence under the Companies Act, 2017

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 their dates 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 of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their directors' training program. Out of total of nine directors, seven directors have already completed this training earlier. One director is exempt from

training program as mentioned in regulation no.19 of the Regulations. One director could not get registered herself for training program. However, she will complete her training in the year 2022-23.

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 endorse the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
  - a. Audit Committee
    - i. Mr. Farooq Advani Chairman
    - ii. Mr. Tayyeb Afzal Member
    - iii. Mr. Bilal Shahid Tata Member
  - b. HR and Remuneration Committee
    - i. Mr. Mazhar Valjee Chairman
    - ii. Mr. Farooq Advani Member
    - iii. Mr. Adeel Shahid Tata Member
    - iv. Mr. Bilal Shahid Tata Member
    - v. Ms. Samar Shahid Member
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 of the committee were as following:
  - a. Audit Committee Quarterly
  - b. HR and Remuneration Committee Bi-Annual
15. The Board has set up an effective internal audit function supervised by a qualified Head of Internal Audit who is considered suitably 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 (ICAP) 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 ICAP 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 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1	<b>Nomination Committee;</b> 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.	29 (1)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the HR & RC.
2.	<b>Risk Management Committee;</b> 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.	30 (1)	Currently, the board has not constituted a Risk Management Committee and the Company's CEO/CFO performs the requisite functions and appraises the board accordingly.
3.	Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	19 (3)	The Company has not arranged any training under Directors' Training Program for female executive or head of department during the year.
4.	<b>Directors Orientation:</b> Acquainting the directors with the CCG Regulations, other applicable laws, their duties and responsibilities.	18	All directors have years of experience, and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present, seven (7) Directors have DTP's Certification, while one (1) director got exemptions from SECP. One director is expected to complete her training in the year 2022-23  The Directors are also encouraged to attend courses which provide information and training relating to their duties, responsibilities, powers and potential liabilities.

ON BEHALF OF THE BOARD OF DIRECTORS



MAZHAR VALJEE  
CHAIRMAN



SHAHID ANWAR TATA  
CHIEF EXECUTIVE

Karachi  
Dated: August 26, 2022



Yousuf Adil  
Chartered Accountants

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TATA 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 Code) prepared by the Board of Directors of Tata Textile Mills Limited (the Company) for the year ended June 30, 2022 in accordance with the respective requirements of the Code.

The responsibility for compliance with the Code 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 Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code 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 Code as applicable to the Company for the year ended June 30, 2022.

  
Chartered Accountants

Place: Karachi

Date: September 05, 2022

**UDIN:** CR20221005725BMVxNve