



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

**TELECARD LIMITED
Year Ending: June 30, 2023**

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

1. The total number of Directors are 07 as follows:
 - a) Male: 06
 - b) Female: 01

2. The Composition of Board is as follows:

Category	Names
Independent Director*	Mr. Asad Mujtaba Naqvi
	Mrs. Fabzia Ahsen
Non-Executive Director	Syed Muftammad Pervez Sadiq
	Mr. Mudabbir Hussain
Executive Directors**	Syed Aamir Hussain
	Mr. Waseem Ahmad
	Syed Hashim Ali
Female Director	Mrs. Fabzia Ahsen

*Note: In terms of Regulation 6(1) COCG, one third of the Company's Board of seven members works out to 2.33. As a general principle, since the fraction is below 0.5 (half), the fraction contained in such one-third is not rounded up as one. Furthermore, the composition of the Board is adequate, with a good mix of skilled, experienced and professional Independent and Non-Executive Directors that have diligently looked after the interests of the Company and are capable of robustly protecting the interests of its minority shareholders.

**It is mandatory that the Executive Directors, including the Chief Executive Officer, shall not be more than one third of the Board. The number of Executive Directors on the Board exceeds the limit prescribed by the Regulations.

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 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 has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

TELECARD LIMITED

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9. During the year the Company has arranged Director's Training Program for the following:

Name of Director	Designation
Mr. Asad Mujtaba Naqvi	Independent Director
Mr. Mudabbir Hussain	Non-Executive Director

10. During the year, there has been no change in the position and terms and conditions of employment of the Company Secretary and Chief Financial Officer. However, the Company is in the process of appointing Head of Internal Audit who has resigned during the year.

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:

Board Audit Committee		
Name of Members	Category	Designation
Mr. Asad Mujtaba Naqvi	Independent Director	Chairman
Mr. S.M. Pervez Sadiq	Non-Executive Director	Member
Mr. Mudabbir Hussain	Non-Executive Director	Member

Human Resource & Remuneration Committee		
Name of Members	Category	Designation
Mr. Asad Mujtaba Naqvi	Independent Director	Chairman
Mr. Mudabbir Hussain	Non-Executive Director	Member
Mrs. Fabzia Ahsen	Independent Director	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 per following.

Board Audit Committee	Quarterly
Human Resource & Remuneration Committee	Annually

15. The Board has set up an internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company. However, during the year, Head of internal Audit resigned and the management has nominated Mr. Zakir Hussain as acting Head of Internal Audit.

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 the 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;

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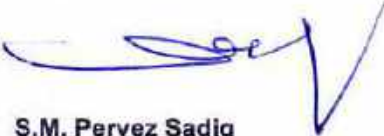
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17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 27, 32, 33 and 36 of the Regulations have been complied with except for the following.

Reg no.	Section.	Regulation	Explanation
8	1	The number of Executive Directors on the Board, including the Chief Executive Officer, exceeds the limit prescribed by Regulation No 8.	Efforts are underway to decrease the number of Executive Directors as prescribed by the Regulations.
19	9	All of the Directors on the Board shall acquire prescribed certification under any Director Training Program as per the criteria specified in Regulation No 19 (1) (ii).	During the succeeding year, two Directors from the Board have successfully attended DTP. Hence, the Board is completely DTP certified as of the date below.


S.M. Pervez Sadiq
Chairman




Syed Aamir Hussain
Director/Chief Executive Officer

October 05, 2023

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Auditor's Review Report to the Members of Telecard 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 **Telecard Limited** (the Company) for the year ended June 30, 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 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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, 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations, 2019 as disclosed in the para 18 of the Statement of Compliance:

S.No	Description
1	The number of Executive Directors on the Board, including the Chief Executive Officer, exceeds the limit prescribed by Regulation No 8.
2	The Company is striving hard to achieve compliance under Director Training Program as per the criteria specified in Regulation No 19 (1) (ii) and during the succeeding year, two Directors from the Board have successfully attended DTP.



(Chartered Accountants)

Place: Karachi

Date: October 05, 2023

UDIN: CR202310192CSUQkNcnV