



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

**NAME OF COMPANY ALLWASAYA TEXTILE AND FINISHING MILLS LIMITED
YEAR ENDING JUNE 30, 2024**

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

1. The total number of directors are 11 as per the following:

- a. Male: 8
- b. Female: 3

2. The composition of Board is as follows:

i. Independent Directors

- 1. Mr. Abdul Rehman Qureshi Independent Director
- 2. Mr. Nazir Ahmad Khan Independent Director
- 3. Mr. Muhammad Ashraf Khan Durrani Independent Director
- 4. Mr. Imran Hussain Independent Director

ii. Non-executive Directors

- 1. MianTauqir Ahmed Sheikh Non-Executive Director

iii. Executive Directors

- 1. Mian Muhammad Jamil Executive Director
- 2. Mr. Mohammad AlamgirJamil Khan Executive Director (CEO)
- 3. Mian Idrees Ahmed Sheikh Executive Director

iv. Female Directors

- 1. Mrs. Nusrat Jamil Non-Executive Director (Chairperson)
- 2. Mrs. Bushra Tauqir Non-Executive Director
- 3. Mrs. Misbah Idrees Sheikh Non-Executive Director

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 updating has been 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 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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Three out of eleven Directors have already attended Directors' Training Program (DTP), two Independent Directors namely Mr. Abdul Rehman Qureshi and Mr. Nazir Ahmad Khan have gotten exemption from SECP in year 2019, four Directors are exempted from the requirement of DTP as per regulation No. 19(2) of the CCG Regulations, 2019 and out of remaining two female directors, one female director joined the Board during financial year 2021-2022 and other female director joined the Board during financial year 2022-2023. Both the female directors will attend DTP during

- the financial year 2024-2025. All the Directors are fully conversant with their duties and responsibilities as Directors of the Company.
10. There was no change with respect to appointment of CFO, Company Secretary and Head of Internal Audit during the year.
11. 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:
- 1. Mr. Nazir Ahmad Khan- Independent Director- Chairman
 - 2. Mr. Abdul Rehman Qureshi- Independent Director- Member
 - 3. Mrs. NusratJamil- Non-Executive Director- Member
- b) HR and Remuneration Committee:
- 1. Mr. Abdul Rehman Qureshi- Independent Director- Chairman
 - 2. Mr. Muhammad Ashraf Khan Durrani- Independent Director- Member
 - 3. Mrs. Misbah Idrees Sheikh- Non-Executive Director- Member
- c) Nomination Committee (not mandatory)
- d) Risk Management Committee (not mandatory)
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 | 4 quarterly meetings |
| b) HR and Remuneration Committee | 1 annually meeting |
| c) Nomination Committee | — |
| d) Risk Management Committee | — |
15. The Board has set up an effective internal audit function headed by the Head of Internal Audit. The staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company and is involved in the internal audit function on a full time basis.
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 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.



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 Regulations	Explanation	Regulation No.
1	<p>Environment, Social and Governance (ESG) matters: The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value.</p> <p>The Board may establish a dedicated sustainability committee having at least one female director.</p>	At present the Board provides governance and oversight in relation to the company's initiatives on Environment, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by the SECP through notification dated June 12, 2024 will be compiled with in due course.	10A(5)
2	<p>Disclosure of Significant Policies The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (I)/2024 dated 12 June 2024</p>	Currently, the Company has voluntarily disclosed its CSR policy on its website. However, the Company is committed to comply with this requirement and is planning to place other significant policies as per requirement of the regulation including policies for DE&I and anti-harassment.	35 (1,3,4) and 10 (4)

On behalf of the Board

Sd/-

Mohammad Alamgir Jamil Khan
Chief Executive Officer

Sd/-

Mrs. Nusrat Jamil
Chairperson

Multan, October 5, 2024



INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of Allawasaya Textile and Finishing 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 **Allawasaya Textile and Finishing Mills Limited** (the Company) for the year ended June 30, 2024 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 June 30, 2024.

YOUSUF ADIL
CHARTERED ACCOUNTANTS

Place: Multan

Date: October 07, 2024

UDIN Number: CR2024101809BotnOc5x