



**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019  
REDCO TEXTILES LIMITED  
FOR THE 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 7 as per the following:
  - a) Male: 4
  - b) Female: 3
2. The composition of Board is as follows:

| Category                | Directors                |
|-------------------------|--------------------------|
| Independent Directors   | Mr. Irfan Ahmed Siddiqi  |
|                         | Mr. Junaid Khan          |
| Non-executive Directors | Mrs. Manizah Saif        |
|                         | Mr. Ahsan Ur Rehman Khan |
|                         | Mr. Khalid Rehman Khan   |
| Executive Directors     | Mrs. Sarah Muhammad Saya |
|                         | Ms. Ayesha Saif Khan     |
| Female Directors        | Mrs. Sarah Muhammad Saya |
|                         | Mrs. Manizah Saif        |
|                         | Ms. Ayesha Saif Khan     |

Fraction (0.33) related to the requirement for number of independent and executive directors each is less than 0.5 and therefore, has not rounded up as one.

3. All directors have confirmed that none of them is serving as a director in 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 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 the 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 the 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.
9. Majority of directors are exempt from Directors' Training program and Chief Executive Mrs. Sarah Muhammad Saya has completed Directors' Training Certification session in 2016.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal auditor, 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 endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

|                          |          |
|--------------------------|----------|
| Mr. Irfan Ahmed Siddiqi  | Chairman |
| Mrs. Manizah Saif        | Member   |
| Mr. Ahsan Ur Rehman Khan | Member   |

b) HR and Remuneration Committee

|                          |          |
|--------------------------|----------|
| Mr. Irfan Ahmed Siddiqi  | Chairman |
| Mrs. Sarah Muhammad Saya | Member   |
| Mrs. Manizah Saif        | 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:
  - a) Audit Committee: Quarterly
  - b) HR and Remuneration Committee: Annually
15. The board has outsourced the internal audit function to M/s Muniff Ziauddin & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are 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 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. | Requirement  | Explanation for Non-Compliance  | Regulation No. |
|--------|--|---|----------------|
| 1      | <b>Representation of Minority shareholders:</b><br>The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.   | No one has intended to contest election as director representing minority shareholders. | 5              |
| 2      | <b>Voting in separate categories for female and independent directors in the election of directors:</b><br>Subject to section 154, 159 and section 166 of the Act and for the purpose of compliance with the requirements of regulation 6 and regulation 7 of these regulations, it is mandatory that voting for the election of directors of the listed company shall be held separately for the following three categories:-<br>(i) the election of female directors;<br>(ii) independent directors; and<br>(iii) other directors. | Election of directors were held before insertion of this Regulation.                    | 7A             |
| 3      | <b>Responsibilities of the Board and its members:</b><br>Adoption of the corporate governance practices.   | Non-mandatory provisions of the CCG Regulations are partially complied.                 | 10             |



|   |   |   |     |
|---|---|---|-----|
| 4 | <p><b>Role of the Board and its members to address Sustainability Risks and Opportunities:</b></p> <p>Responsibility of the Board for governance and oversight of sustainability risks and opportunities and to make policies to promote diversity, equity and inclusion (DE &amp; I).</p>              | Non-mandatory provisions of the said Regulation are partially complied.   | 10A |
| 5 | <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>   | Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.  | 29  |
| 6 | <p><b>Risk Management Committee:</b></p> <p>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.</p> | Currently, the board has not constituted a Risk Management Committee and the senior officers of the Company perform the requisite functions and apprise the board accordingly.  | 30  |
| 7 | <p><b>Disclosure of significant policies on website:</b></p> <p>The Company may post significant policies, brief synopsis of terms of references of its sub-committees and key elements of directors' remuneration policy on its website.</p>   | The requirement to disclose significant policies and other matters on the website is non-mandatory as per Regulation No. 35 and thus, the Company has not posted the same on its website. However, the Company is considering to post the same in future. | 35  |

**Irfan Ahmed Siddiqi**  
Director

**Sarah Muhammad Saya**  
CEO/Director

Islamabad  
Dated: October 04, 2024



**REDCO TEXTILES LIMITED**

ISO 9001 2000 Certified

## **MUSHTAQ & COMPANY**

CHARTERED ACCOUNTANTS

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### ***Independent Auditor's Review Report***

#### ***To the members of Redco Textiles Limited on the Statement of Compliance with the Code of Corporate Governance***

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 Redco Textiles Limited 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 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, 2024.

Place: Lahore  
Dated: 04-Oct-2024

**MUSHTAQ & CO**  
Chartered Accountants

UDIN: CR202410724OcwYDYGsK

**Engagement Partner:**  
Nouman Arshad, ACA

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