



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

Name of Company : Fazal Cloth 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 (9) as per the following:
 - a. Male: Eight
 - b. Female: One
2. The composition of board as at June 30, 2022 is as follows:

CATEGORY	NAMES
Independent Director	1. Mr. Babar Ali 2. Mr. Masood Karim Shaikh 3. Ms. Parveen Akhtar Malik
Non-Executive Directors	4. Mr. Sh. Naseem Ahmed 5. Mr. Faisal Ahmed 6. Mr. Aamir Naseem Sheikh
Executive Directors	7. Mr. Rehman Naseem 8. Mr. Muhammad Mukhtar Sheikh 9. Mr. Fahd Mukhtar

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 the board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these regulations;
7. The meetings of the Board of Directors 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The Board of Directors has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. Detailed as below; Nine directors have completed their Directors’ Training Certification (DTC) and one director is exempt from this due to 14 years of education and 15 years of experience on the Board.

Directors exempt from DTC - Mr. Faisal Ahmed

Directors who have completed their DTC

- Mr. Sh. Naseem Ahmed	- Mr. Aamir Naseem Sheikh
- Mr. Babar Ali	- Mr. Masood Karim Shaikh
- Ms. Parveen Akhtar Malik	- Mr. Rehman Naseem
- Mr. Muhammad Mukhtar Sheikh	- Mr. Fahd Mukhtar



10. During the year, the Board has approved the appointment of Head of Internal Audit including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There was no change in the position of Company Secretary and Chief Financial Officer.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before the approval of the board.
12. The Board has formed committees comprising of members given below:

Name of Committee	Name of Members and Chairman
Audit Committee	1. Ms. Parveen Akhter Malik (Independent Director) - Chairman 2. Mr. Babar Ali (Independent Director) 3. Mr. Sh Naseem Ahmed – Member 4. Mr. Aamir Naseem Sheikh – Member
Human Resource and Remuneration Committee	1. Mr. Babar Ali (Independent Director) - Chairman 2. Mr. Aamir Naseem Sheikh – Member 3. Mr. Faisal Ahmed – Member
Strategic Planning Committee	1. Mr. Rehman Naseem (CEO) - Chairman 2. Mr. Masood Karim Sheikh (Independent Director) - Member 3. Ms. Parveen Akhter Malik (Independent Director) - Member

13. The terms of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the Committees were as per following:
- Board Audit Committee: four (4) meetings have been convened during the financial year ended June 30, 2022;
 - Human Resource and Remuneration Committee: one (1) meeting has been convened during the financial year ended June 30, 2022;
 - Strategic Planning Committee: no meeting convened during the financial year ended June 30, 2022.
15. The Board has set up an effective internal audit function which is suitably qualified and 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 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; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

(Sheikh Naseem Ahmad)
Chairman
Dated: October 28, 2022

(Rehman Naseem)
Chief Executive Officer