

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

Name of company: **D.M. Textile Mills Limited**
 Year ending: **30 June 2024**

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

1. The total number of directors are 07 as per the following:

Male 07
 Female -

2. The composition of the Board is as follows:

i)	Independent Directors	02
ii)	Non-Executive Directors	03
iii)	Executive Directors	02

Determination of number of independent Directors comes to 2.33 (rounded to 2) which is based on Seven Directors. The fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted;

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 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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board could not arrange Directors' Training program for its 4 directors due to financial constraints;
10. The Board has not been able to appoint chief financial officer and company secretary. The Company advertised the posts time and again but no one applied;
11. Due to non-appointment of chief financial officer, chief executive officer and two directors have endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below: -

a) Audit Committee

Names	Designation held
Mr. Amer Zeb	Chairman (Independent Director)
Mr. Muhammad Suleman Khan	Member (Independent Director)
Mr. Abrar Alam	Member (Non-Executive Director)

b) HR and Remuneration Committee

Names	Designation held
Mr. Muhammad Suleman Khan	Chairman (Independent Director)
Mr. Syed Hameed UI Haq	Member (Non-Executive Director)
Mr. Sami Ullah	Member (Executive Director)

13. The terms of reference of the aforesaid committees have been framed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

MEETINGS	FREQUENCY
Audit Committee	Five meetings were held during the financial year ended 30 June 2024.
Human Resource and Remuneration Committee	One meeting was held during the financial year ended 30 June 2024.

15. The Board has set up an effective internal audit function 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, 8, 27, 32, 33 and 36 of the Regulations have been complied with except Regulation 7, which will be complied with shortly.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Directors' Training	Due to closure of Mills and financial restraints, the Board could not arrange directors' training program for its four directors; out of seven.	19
2	Nomination Committee	Currently, the Board has not constituted a separate nomination committee. The Board will constitute nomination committee after revival of the business of the Company.	29
3	Risk Management Committee	Currently, the Board has not constituted a risk management committee as the Mills is closed. The Board will constitute risk management committee after revival of the business of the Company.	30
4	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	These policies are in place and provided to the relevant employees and directors. These will be placed on website in due course.	35



CHIEF EXECUTIVE OFFICER

Rawalpindi,
03 October 2024



CHAIRMAN