

**STATEMENT OF COMPLIANCE WITH
THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE RULES, 2013)**

Name of Company	The Punjab Skills Development Fund
Name of the line Ministry	Planning & Development Department, Government of the Punjab
For the Year Ended	June 30, 2024

- I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.
- II. The company has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule no.	Y	N																																			
			Tick the relevant																																				
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																																				
2	<p>The Board has at least one-third of its total members as independent directors. At present the Board includes:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Category</th> <th>Name</th> <th>Date of Joining</th> </tr> </thead> <tbody> <tr> <td rowspan="7" style="text-align: center; vertical-align: middle;">Independent Directors</td> <td>Shehryar Ahmed Buksh</td> <td>08/07/2019</td> </tr> <tr> <td>Rabia Zia</td> <td>15/10/2019</td> </tr> <tr> <td>Dr Turab Hussain</td> <td>2/06/2023</td> </tr> <tr> <td>Ms. Rattan Kaur Chawla</td> <td>2/06/2023</td> </tr> <tr> <td>Mr. Salim Ullah Ghauri</td> <td>2/06/2023</td> </tr> <tr> <td>Mr Haroon Rashid</td> <td>2/06/2023</td> </tr> <tr> <td>Ms. Ume-Laila Azhar</td> <td>2/06/2023</td> </tr> <tr> <td rowspan="8" style="text-align: center; vertical-align: middle;">Government Nominated / Non-Executive Directors</td> <td>Dr. Ijaz Nabi</td> <td>11/10/2010</td> </tr> <tr> <td>Ms. Khawar Mumtaz</td> <td>11/10/2010</td> </tr> <tr> <td>Ms. Aqueela Mumtaz</td> <td>13/10/2015</td> </tr> <tr> <td>Dr. Naved Hamid</td> <td>13/10/2015</td> </tr> <tr> <td>Secretary Planning & Development Board, GoPb</td> <td>11/10/2010</td> </tr> <tr> <td>Additional Finance Secretary (Economic Services), GoPb</td> <td>15/07/2021</td> </tr> <tr> <td>Secretary Livestock & Dairy Development Department, GoPb</td> <td>11/10/2010</td> </tr> <tr> <td>Secretary Industries, Commerce, Investment & Skills Development Department, GoPb</td> <td>11/10/2010</td> </tr> </tbody> </table>	Category	Name	Date of Joining	Independent Directors	Shehryar Ahmed Buksh	08/07/2019	Rabia Zia	15/10/2019	Dr Turab Hussain	2/06/2023	Ms. Rattan Kaur Chawla	2/06/2023	Mr. Salim Ullah Ghauri	2/06/2023	Mr Haroon Rashid	2/06/2023	Ms. Ume-Laila Azhar	2/06/2023	Government Nominated / Non-Executive Directors	Dr. Ijaz Nabi	11/10/2010	Ms. Khawar Mumtaz	11/10/2010	Ms. Aqueela Mumtaz	13/10/2015	Dr. Naved Hamid	13/10/2015	Secretary Planning & Development Board, GoPb	11/10/2010	Additional Finance Secretary (Economic Services), GoPb	15/07/2021	Secretary Livestock & Dairy Development Department, GoPb	11/10/2010	Secretary Industries, Commerce, Investment & Skills Development Department, GoPb	11/10/2010	3(2)	✓	
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3	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)		✓
4	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓	
5	The chairman of the board is working separately from the Chief Executive of the Company.	4(1)	✓	
6	The chairman has been elected by the Board of directors.	4(4)	✓	
7	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)		✓
8	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website (www.psd.org.pk). (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
11	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b) (vi)	✓	
12	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	
13	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services	5(5)(c) (iii)	✓	
14	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓	

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15	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
16	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and have submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
17	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
18	a) The board has met at least four times during the year.	6(1)	✓	
	b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓	
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓	
19	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓	
20	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
21	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	✓	N/A
	(b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by auditors.			
	(c) The Board has placed the annual financial statements on the company's website.		✓	
22	All the board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓	

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23	<p>The board has formed the requisite committees, as specified in the Rules. The committees were provided with written term of reference defining their duties, authority and composition.</p> <p>The minutes of the meetings of the committees were circulated to all the board members.</p> <p>The committees were chaired by the following non-executive directors:</p>	12	✓																			
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24	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓																			
25	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																			
26	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																			
27	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																			
28	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.	18	✓																			
29	<p>(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.</p> <p>(b) The annual report of the company contains criteria and details of remuneration of each director.</p>	19	N/A																			
30	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	✓																			

31	The board has formed an audit committee, with defined and written terms of reference, and having the following members:	21(1) and 21(2)	✓																						
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The chief executive and chairman of the Board are not members of the Audit Committee.																									
32	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.	21(3)	✓ ✓ ✓																						
	(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.																								
	(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.																								
33	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	✓ ✓ ✓																						
	(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.																								
	(c) The internal audit reports have been provided to the external auditors for their review.																								
34	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓																						
35	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓																						

(Director)

(Director)

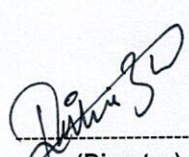
Schedule II
Explanation for Non-Compliance with
The Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of June 30, 2024.

Sr. No.	Rule no.	Reasons for non-compliance	Future course of action
3	3(5)	Non-compliance is related to Government nominated Director as nominated under Ex-officio capacity (Secretary Industries, Commerce, Investment & Skills Development Department, GoPb)	After the show cause notice served by SECP, this fact has already been brought into the notice of the Departments of Government of the Punjab. It has been requested to take immediate action by delegating the powers to other authorized representatives of concerned Secretarial Departments and nominating positions as Director on Board of PSDF to comply with the provisions of law.
7	5(2)	Government has not appointed the Chief Executive Officer of the company till reporting date.	The provincial cabinet in its 8 th meeting held on 24.05.2024 has appointed Mr. Ahmed Khan as a full-time chief executive officer of PSDF.



(Director)



(Director)

