

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

AGRIAUTO INDUSTRIES LIMITED  
FOR THE YEAR ENDED JUNE 30, 2023

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:	-	06
b. Female:	-	01

2. The composition of Board is as follows:

Category	Name
Independent Directors*	Ms. Ayesha T. Haq (Female Director) Mr. Muhammad Ali Jameel
Other Non-Executive Directors	Mr. Yutaka Arae Mr. Hamza Habib Mr. Salman Burney Mr. Sohail P. Ahmed
Executive Director	Mr. Fahim Kapadia

\*In a Board comprising 7 members, one-third works out to be 2.33, which is below half (i.e. 0.5). The fraction contained in such one-third is not rounded up to one as the Company has experienced and well-rounded independent directors on the Board who perform and carry out their responsibilities diligently.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 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;
- 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;
- 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;
- The meetings of the Board were presided over by the Chairman. 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;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- Majority of the directors have either completed Directors' Training program or are exempt from doing so under these regulations. However, no Directors' Training Program was arranged during the year.
- The Board has approved the appointment and change in remuneration of chief financial officer and company secretary. No new appointment or change in remuneration and terms and conditions of head of internal audit took place during the year. The Board has 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. Muhammad Ali Jameel	Chairman
- Mr. Sohail P. Ahmad	Member
- Ms. Ayesha T. Haq	Member

**b) HR and Remuneration Committee**

- Mr. Muhammad Ali Jameel	Chairman
- Mr. Yutaka Arae	Member
- Mr. Fahim Kapadia	Member
- Mr. Salman Burney	Member
- Mr. Sohail P. Ahmed	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	- Four quarterly meetings
b) HR and Remuneration Committee	- Two meetings

15. The Board has outsourced the internal audit function to M/s. Noble Computer Services (Private) Limited 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; and

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Fahim Kapadia  
Chief Executive



Salman Burney  
Non-Executive Director

Dated: August 25, 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Agriauto Industries Limited (the Company)

### 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 **Agriauto Industries Limited (the Company)** for the year ended **30 June 2023** 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 **30 June 2023**.



Chartered Accountants  
Place: Karachi  
Date: 07 September 2023  
UDIN: CR2023101205Tw1qfPKW