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

Name of Company: BELA AUTOMOTIVES LIMITED

Year Ending: 30th June, 2024

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

1. The total number of directors are seven as per the following:
 - a. Male: 5
 - b. Female: 2
2. The composition of the Board is as follows:

EXECUTIVE DIRECTOR

- Mr. Abdul Mateen Allahwala (CEO)
- Mr. Omer Mateen Allahwala

NON- EXECUTIVE DIRECTORS

- Mr. Anwar Iqbal
- Mrs. Farnaz Anwar
- Mr. Fazal Kafeel
- Mrs. Khilat Kafeel
- Mr. Sufian Zahid (Independent director)

3. The 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 taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Company board has developed a vision and 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
6. All the powers of the Board have been duly exercised and decision on relevant matters have been taken by 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 requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Except one director, all directors meets the criteria of exemption under clause (xi) of the CCG and is accordingly exempted from the director training program.
10. The Company Secretary has complied with all the corporate and financial reporting and complied with relevant requirements of the Regulations.

11. The financial statements of the Company were duly endorsed by CEO and a Director before approval of the board.
12. The board has formed committees comprising of members given below:
- a. The board has formed an audit committee. It comprises three members of whom two are non executive directors and Chairman Mr. Anwar Iqbal and members Mr. Fazal Kafeel and Mrs. Farnaz Anwar.
- b. The board has formed an HR and Remuneration Committee. It Comprises three members, of whom two are non – executive directors and Chairman Mr. Omer Mateen Allahwala and members Mr. Anwar Iqbal and Mr. Fazal Kafeel.
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 (quarterly / half yearly / yearly) of the committee were as per following:
- | | |
|----------------------------------|--|
| a) Audit Committee | 4 quarterly meetings during the financial year ended June 30,2024 |
| b) HR and Remuneration Committee | 1 annual meeting held during the financial year ended June 30,2024 |
15. The board has set up effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control, review program of the Institute of Chartered Accountants of Pakistan (ICAP) 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 ICAP and that they and the partners of the firm involved in the audit are not 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, listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regards.
18. We confirm that all other requirements of the Regulations 3,7,8,27,32,33 and 36 of the Regulation have been complied with;
19. Explanation for non-compliance with non- mandatory requirements other than regulations 3,7,8,27,32,33 and 36 are below

Nomination Committee

29(1)

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.

Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board.

Risk Management Committee: 30(1)

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.

Risk management committee is not mandatory, and risks are raised and discussed at BAC level therefore, a separate committee for Risk Management is not required due to closed operation of the Company

Role of the Board and its members to address sustainability risk and opportunities: 10A

The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee.

At present the Board provides governance and oversight in relation to Company's initiatives on environmental, social and governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024 will be complied with in due course



Mr. Fazal Kafeel
Chairman



Abdul Mateen
Chief Executive



Independent Auditors' Review Report

To The Members of Bela Automotives Limited on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulation, 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 **Bela Automotives Limited** (the Company) for the year ended 30 June 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. 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, except for the below mentioned instances of non-compliance, 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.

Following instances of non-compliance with the requirements of the Code were observed which are stated as under:

Requirement	Regulation	Non-Compliances
Independent Director	06	There is one independent director. The criteria as required u/s 166 of Companies Act, 2017 and Regulation is not complied.
Role of board to address sustainability risk and opportunities.	10A	Newly introduced regulation by SECP during June, 2024. Being reviewed by the board for compliance in future.
Requirement to attain DTP Certification.	19	Except one director, all directors are exempt from training program.
Qualification of CFO	22	No Chief Financial Officer is appointed by the company.
Qualification of Internal Auditor	23	No internal auditor is appointed by the company.
Human Resource and Remuneration Committee	28	The composition is not as per the CCG Regulations.
Nomination Committee	29(1)	Currently, the board has not constituted a separate NC. The function is being performed by the board.
Risk Management Committee.	30(1)	The board intends to constitute RMC. Currently the board is performing these duties.
Disclosure of significant policies on website.	35	As there is no operational activity of the company, limited information is uploaded on the website.