

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

Name of company **Ghandhara Nissan Limited**
Year Ended: 30th June 2022

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

1. The total number of directors are 10 as per the following:-

- a. Male: 09
- b. Female: 01

2. The composition of the Board is as follows:

Sr. No.	Name of Directors	Category	Number
1.	Mr. Polad Merwan Polad		
2.	Mr. Salman Rasheed (FCA)	Independent Directors	3
3.	Mr. Muhammad Jawaid Iqbal (CFA)		
4.	Lt. Gen. (Retd.) Ali Kuli Khan Khattak		
5.	Mr. Sikandar Kuli Khan Khattak	Non - Executive Directors	5
6.	Mr. M. Saleem Baig		
7.	Syed Haroon Rashid		
8.	Mr. Muhammad Zia		
9.	Mrs. Shahnaz Sajjad Ahmad	Non-Executive Director/ Female Director	1
10.	Mr. Ahmad Kuli Khan Khattak	Executive Director	1

The Board was reconstituted on February 2, 2022 for a term of three years.

The company encourages representation of independent non-executive directors and directors representing minority interests on its Board.

The independent directors meet the criteria of independence under clause 1(b) of the CCG.

A casual vacancy occurred during the financial year 2022 on demise of Mr. Raza Kuli Khan Khattak. The process of filling the casual vacancy had been completed within the stipulated time period resultantly Mr. Sikandar Kuli Khan Khattak had been appointed on 27th April, 2022.

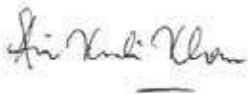
- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting 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 and these Regulations, 2019.

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. Out of the ten Directors; two directors are exempted from Directors' Training Program based on their experience as director on the board of Listed Companies and eight directors have obtained certificate of Directors' Training Program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CEO and CFO have 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. Polad Merwan Polad - Chairman
 - Lt.Gen (Retd.) Ali Kuli Khan Khattak - Member
 - Mr. Salman Rasheed (FCA) - Member
 - Mr. Muhammad Zia - Member
 - Mr. Muhammad Saleem Baig - Member
 - b) Human Resource and Remuneration Committee:
 - Mr. Muhammad Jawaid Iqbal - Chairman
 - Mr. Ahmad Kuli Khan Khattak - Member
 - Mrs. Shahnaz Sajjad Ahmad - Member
 - Mr. Muhammad Zia - Member
 - Mr. Polad Merwan Polad - Member
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the Committees were as per following:-
 - a) Audit Committee:
 - 1st Meeting : within one month of end of quarter.
 - 2nd Meeting : within two months of end of half year.
 - 3rd Meeting : within one month of end of quarter.
 - 4th Meeting : within three months of end of quarter
 - b) Human Resource and Remuneration Committee:
 - Held once during the financial year

15. The Board has set up an effective internal Audit Function which functionally reports to the Audit Committee.
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 (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 the ICAP 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, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Three Independent Directors were re-elected in the EOGM held on 02-02-2022. The number of Independent Directors as fixed during Board of Directors meeting held on 29-10-2021 was 3 rather than one third (3.33) of the total number (10) of directors as 0.33 being less than 0.5. Moreover, the Board believes that three Independent Directors are sufficient enough to maintain independence at Board level.

On Behalf of the Board of Directors



Lt.Gen.(Retd.) Ali Kuli Khan Khattak
Chairman

Karachi
Dated: 4th October 2022



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF GANDHARA NISSAN LIMITED

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 Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Gandhara Nissan Limited (the Company) for the year ended June 30, 2022, 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 requires 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 June 30, 2022.

Shinwing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; October 04, 2022
UDIN: CR2022101048jozLmNxa