



STATEMENT OF COMPLIANCE

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
For the Year Ended June 30, 2022

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

1. The total number of directors are Seven (7) as per the following:
 - a. Male: 5
 - b. Female: 2
2. The composition of board is as follows:

Category		Names
Independent Director(s)*		i. Mr. Rashid Ahmad Khan ii. Mr. Hassan Ahmed
Non-Executive Directors	Male	i. Mr. Tahir Jahangir
	Female	i. Mrs. Munizae Jahangir ii. Mrs. Sulema Jahangir
Executive Directors		i. Mr. Jillani Jahangir ii. Mr. Abdul Munaf

* With reference to Regulation 6 (1), in a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5) the fraction contained in such onethird is not rounded up to one. Further, 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, 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 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 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.



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9. The majority of Directors have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.
10. The board has approved appointment of CFO, 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. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
 - a) Audit Committee
 1. Mr. Rashid Ahmad Khan (Independent Director) – Chairman
 2. Mrs. Munizae Jahangir (Non-Executive Director)
 3. Mrs. Sulema Jahangir (Non-Executive Director)
 - b) HR and Remuneration Committee
 1. Mr. Rashid Ahmad Khan – (Independent Director) - Chairman
 2. Mr. Jillani Jahangir (Executive Director)
 3. Mrs. Munizae Jahangir (Non-Executive Director)
 4. Mrs. Sulema Jahangir (Non-Executive Director)
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:

Four quarterly meetings were held during the financial year ended June 30, 2022.
 - b) HR and Remuneration Committee
One Meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2022.
15. The board has set up an effective internal audit function which is considered suitably qualified, experienced for the purpose and 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, and that the firm and all its 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 the 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;



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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 the regulations 3,6 ,7, 8, 27, 32, 33, and 36 of the Regulation have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 is as follows:

Sr. no	Non-Mandatory Requirement	Reg. No.	Explanation
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.	29(1)	Currently, the board has not constituted a separate Nomination Committee and the function are being performed by the Board.
2	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.	30(1)	Currently, the board has not constituted a separate Risk Management Committee and the function are being performed by the Board.
3	It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19(1)	Out of seven directors, three directors meet the exemption requirement of the Directors' Training Program and one directors has obtained the Directors' Training Program certification in prior years. The Company has planned to arrange Directors' Training Program certification for remaining three directors before June 30, 2023.

Lahore: October 05, 2022

For & on behalf of the Board

(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

For & on behalf of the Board

(TAHIR JAHANGIR)
DIRECTOR



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of "Hala Enterprises Limited"

Review Report on the Statement of Compliance Contained in the 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 Hala Enterprises Limited 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 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 **June 30, 2022**.

Lahore

Dated: October 05, 2022

UDIN: CR202210206DJOZ7BsET

Malik Haroon Shahid Safder & Co.

Chartered Accountants