

# Statement of Compliance

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



Executive Committee: (L to R) Mr. Maqsood ur Rehman, Mr. Takafumi Koike and Mr. Katsumi Kasai



Name of Company: **Honda Atlas Cars (Pakistan) Limited**  
 Year ended: **March 31, 2022**

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

1. The total number of directors are 9 as per the following:
  - a. Male 8
  - b. Female 1

2. The composition of the Board of Directors (the Board) is as follows:

Sr. No.	Category	Names
1.	Independent Directors	Mr. Muhammad Naeem Khan
2.		Mr. Arif ul Islam
3.		Ms. Rie Mihara
4.	Other Non-Executive Directors	Mr. Aamir H. Shirazi
5.		Mr. Saquib H. Shirazi
6.		Mr. Eihiko Sato
7.		Mr. Kazunori Shibayama
8.	Executive Directors	Mr. Hironobu Yoshimura
9.		Mr. Katsumi Kasai

The independent director meets the criteria of independence under the Companies Act, 2017

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 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 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 the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Out of the nine, six directors have either obtained certificate of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies (Code of Corporate Governance)

Regulations, 2019. However, during the year, no Directors' Training Program was arranged.

10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year.

11. The Chief Financial Officer and the 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	1.	Mr. Muhammad Naeem Khan	Chairman
	2.	Mr. Saquib H. Shirazi	
	3.	Mr. Eihiko Sato	
	4.	Mr. Kazunori Shibayama	

b) HR & Remuneration Committee	1.	Mr. Muhammad Naeem Khan	Chairman
	2.	Mr. Saquib H. Shirazi	
	3.	Mr. Hironobu Yoshimura	
	4.	Mr. Katsumi Kasai	
	5.	Mr. Eihiko Sato	

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

Statement of Compliance



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.
- 19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

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 March 31, 2022.
- b) **HR & Remuneration Committee**  
One meeting was held during the financial year ended March 31, 2022.

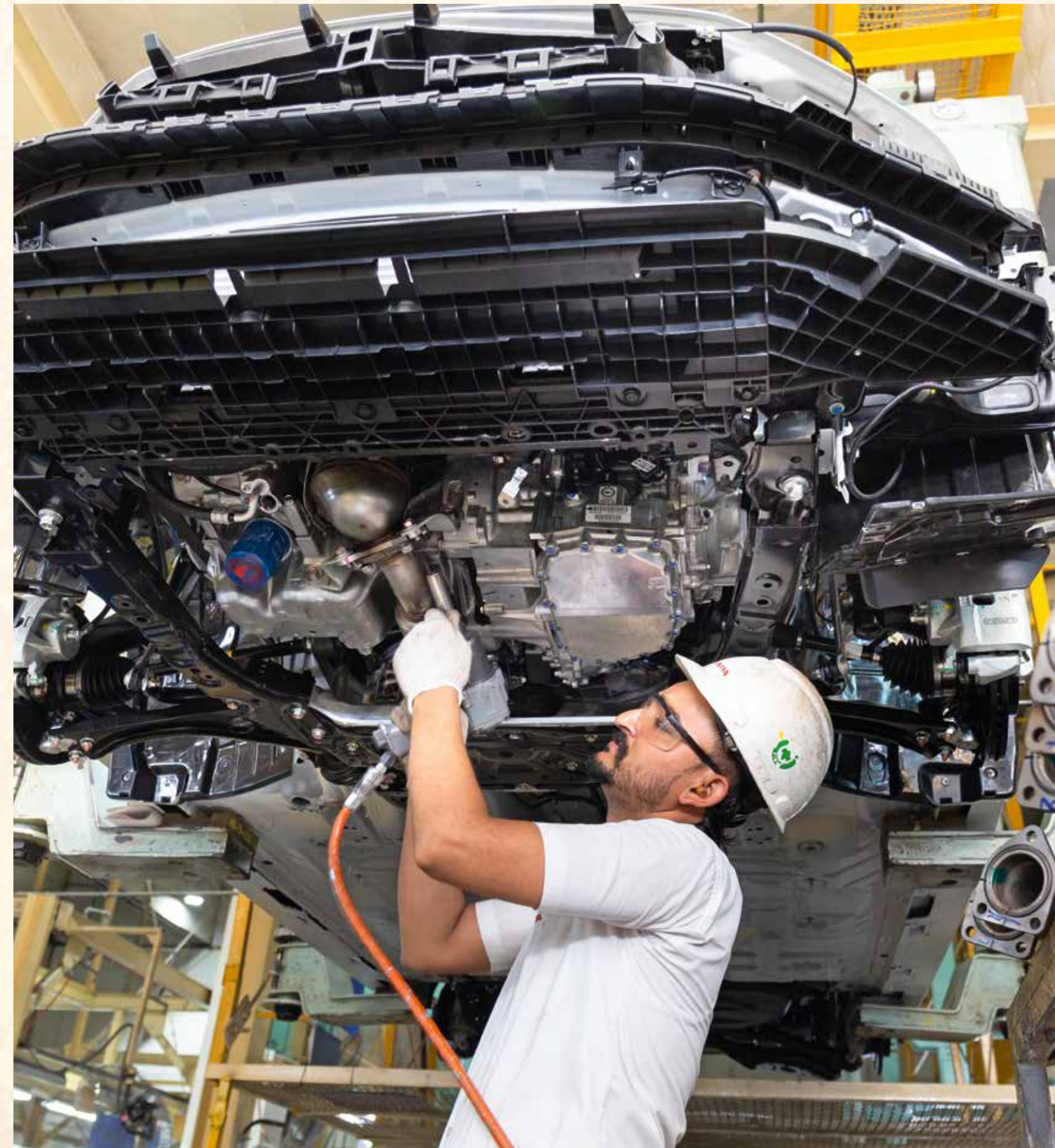
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

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

Non-Mandatory Requirement	Reg. No.	Explanation
<b>Representation of Minority shareholders:</b> The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
<b>Responsibilities of the Board and its members:</b> Adoption of the corporate governance practices	10(1)	Non-mandatory provisions of the CCG Regulations are partially complied
<b>Nomination Committee:</b> 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 functions are being performed by the Company Secretary and Executive Committee.
<b>Risk Management Committee:</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate 111 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 RMC and the Company's Risk Manager performs the requisite functions and apprises the board accordingly.

**Aamir H. Shirazi**  
Chairman

Date: May 26, 2022  
Karachi.



# Independent Auditor's Review Report

to the Members of Honda Atlas Cars (Pakistan) 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 the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Honda Atlas Cars (Pakistan) Limited for the year ended March 31, 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 March 31, 2022.



**A. F. FERGUSON & CO.**  
Chartered Accountants

Lahore

Date: June 07, 2022

UDIN: CR202210071FNUaLqy5v

# Significant Highlights

