

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2023

This statement is being presented to comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) for the purpose of establishing a framework of good governance.

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

1. The total number of Directors are ten (10) as per the following:

- Male 9 (nine)
- Female 1 (one)

2. At the year ended June 30, 2023, the composition of the Board of Directors (the Board) is as follows:

Category	Names
• Independent Directors*	<hr/> Mr. Azam Faruque <hr/> Mr. Riyaz T. Chinoy <hr/> Syeda Tatheer Zehra Hamdani
• Non-Executive Directors	<hr/> Mr. Mohamedali R. Habib <hr/> Mr. Imran Ali Habib <hr/> Mr. Muhammad H. Habib <hr/> Mr. Akihiro Murakami
• Executive Directors	<hr/> Mr. Shinji Yanagi <hr/> Mr. Ali Asghar Jamali <hr/> Mr. Shigeki Furuya

The Independent Directors meet the criteria of independence under the Companies Act, 2017.

*Note: In terms of Regulation 6(1) COCG, one third of the Company's Board of ten members works out to 3.33. As a general principle, since the fraction is below 0.5 (half), the fraction contained in such one third is not rounded up as one. Furthermore, the composition of the Board is adequate, with a good mix of skilled, experienced and professional independent and non-executive Directors, that have diligently looked after the interests of the Company and are capable of robustly protecting the interests of its minority shareholders.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable);
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, an 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 the Regulations;

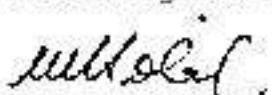
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. All Directors have duly obtained training under the Directors' Training Program or are exempted;
10. During the year, there has been no change in the position and terms and conditions of employment of the Head of Internal Audit, Company Secretary and Chief Financial Officer (CFO);
11. The CFO and Chief Executive Officer (CEO) have duly endorsed the financial statements before approval of the Board;
12. The Board has formed Committees comprising of members given below:

Name of Committee	Names of Members and Chairman	
• Board Audit Committee	Mr. Azam Faruque	Chairman
	Mr. Imran Ali Habib	Member
	Mr. Muhammad H. Habib	Member
	Mr. Akihiro Murakami	Member
	Mr. Riyaz T. Chinoy	Member
• Board HR & Remuneration Committee	Mr. Azam Faruque	Chairman
	Mr. Mohamedali R. Habib	Member
	Mr. Shinji Yanagi	Member
	Mr. Ali Asghar Jamali	Member
	Syeda Taltheer Zehra Hamdani	Member
• Board Ethics Committee	Mr. Riyaz T. Chinoy	Chairman
	Syeda Taltheer Zehra Hamdani	Member
	Mr. Ali Asghar Jamali	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 of the committees during the year was as per the following:

• Board Audit Committee	Quarterly meetings
• Board HR & Remuneration Committee	Half-yearly meetings
• Board Ethics Committee	Annual meeting
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 (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with the International Federation of Accountants (IFAC) guideline 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 requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all mandatory requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Karachi
August 25, 2023


 Mohamedali R. Habib
 Chairman
 Indus Motor Company Limited

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Indus Motor Company 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 Indus Motor Company Limited for the year ended June 30, 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 control 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 requirements 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 reflects 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, 2023.



A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 5, 2023

UDIN: CR202310611EIdcCW7nu

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