

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

Name of Company : **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
Year Ended: **September 30, 2023**

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

- 1 The total number of directors is seven as per the following:
  - a Male: 7
  - b Female: 0
- 2 The composition of the board is as follows:

| Category                       | Names   |
|--------------------------------|---|
| <b>Independent Directors</b>   | Mr. Muhammad Rasheed Rana<br>Mr. Muhammad Nawaz             |
| <b>Non-Executive Directors</b> | Mr. Amjad Abbas<br>Mr. Atif Butt<br>Mr. Yasir Iqbal         |
| <b>Executive Directors</b>     | Mr. Muhammad Dawood<br>Muhammad Talib<br>Mr. Muhammad Talib |
| <b>Female Directors</b>        | Nil   |

- 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 the Company maintains updating.
- 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 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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9 Five members of the Board have requisite education and experience on the Board(s) of listed companies and are exempt from Directors' Training Program. Three directors have already completed training course as required.
- 10 The board has approved appointment of CFO, Company Secretary and head of internal audit, including their remuneration, terms, and conditions of employment complied with relevant requirements of the regulations.
- 11 Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.

12 The Board has formed committees comprising of members given below:

| Names of Committee                        | Names of Members and Chairman   |
|---|---|
| Audit Committee                           | Mr. Muhammad Nawaz (Chairman/Member)<br>Mr. Atif Butt (Member)<br>Mr. Amjad Abbas (Member)          |
| Human Resource and Remuneration Committee | Mr. Muhammad Rasheed Rana (Chairman/Member)<br>Mr. Yasir Iqbal (Member)<br>Mr. Amjad Abbas (Member) |

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

14 The frequency of meetings (quarterly/half yearly/ yearly) were as per following:

- a Audit Committee Quarterly
- b HR&R Committee Yearly

15 The Board has set up an effective outsourced internal audit function who are considered suitably qualified and experienced for the purpose and are 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 partners of the firm involved in 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 other requirements of the 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;

| Sr. No. | Requirements                                  | Explanations   | Regulations No. |
|---------|---|--|-----------------|
| 1       | Constitution of Risk Management Committee     | The function of risk of management committee are currently performed by chief internal auditor who apprises the board accordingly.                                   | 30              |
| 2       | Disclosure of Significant Policies on Website | The company intends to disclose its significant policies on website before the close of current fiscal year.   | 35              |
| 3       | Female director                               | As currently there is no female shareholder who is qualified to be director. The company intends to appoint female director before the close of current fiscal year. | 7               |

On behalf of the board of director

  
**Yasir Iqbal**  
(CHAIRMAN)

Lahore

25 January, 2024

**INDEPENDENT AUDITOR'S REVIEW REPORT****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 Abdullah Shah Ghazi Sugar Mills Limited (the Company) for the year ended **September 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 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.

Following instance of non-compliance with the requirement of the Regulations was observed which is not explained in the Statement of Compliance:

- i) There is no female director in Company. ( Regulation number 7)
- ii) Risk management committee has not been constituted ( Regulation number 30).

Based on our review, except for the above instance 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 30 September 2023.

**ZAHID JAMIL & CO.****CHARTERED ACCOUNTANTS****Place: Lahore****(Engagement Partner: Adeel Anwar, ACA)****Date: January 25, 2024****UDIN: CR202310366uNZrmWaBY**