

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2023

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'Regulations') in the following manner:

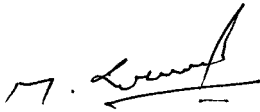
1. The total number of directors are 7 as per the following:
 - Male: (6) Six
 - Female: (1) One
2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Hasan Aziz Bilgrami Mr. Iftikhar Soomro
Non-Executive Directors	Mr. Mohammed Kasim Hasham-Chairman Mr. Khurram Kasim Mrs. Anushey A. Hasham
Executive Directors	Mr. Ahmed Ebrahim Hasham – CEO Mr. Mohammed Hussain Hasham

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 called "Business Conduct Guidelines" 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 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 Act, and the Regulations with respect to frequency, recording and circulating minutes of meeting of the 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;
9. The Directors are well aware of their duties and responsibilities under the Code.
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Internal Audit function, including their remuneration and terms and conditions of employment and 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 following Committees comprising of members given below:
 - a. **Audit Committee**
 - i. Mr. Hasan Aziz Bilgrami- Chairman
 - ii. Mr. Khurram Kasim
 - iii. Mrs. Anushey A. Hasham
 - b. **HR and Remuneration Committee**
 - i. Mr. Iftikhar Soomro- Chairman
 - ii. Mr. Ahmed Ebrahim Hasham
 - iii. Mr. Khurram Kasim
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 were as per following:
 - a. Audit Committee: (Four) meetings during FY 2023 ended 30 September 2023
 - b. Human Resource and Remuneration Committee: (Two) Half yearly meetings during FY 2023 ended 30 September 2023.
15. The Board has outsourced its internal audit function to “BPO resources at work” who are considered suitably qualified and experienced for the purpose 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 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, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that Company intends to formulate committees for recommendatory regulation 29 and 30 to have a Nomination Committee and Risk Management Committees in near future.
19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with; and
20. With regard to Regulation 6(1), the two elected independent directors have the requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision-making within the Board and hence, does not require to round up the fraction to three independent directors.



Mohammad Kasim Hasham
CHAIRMAN



Ahmed Ebrahim Hasham
CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF MEHRAN SUGAR MILLS 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 Mehran Sugar Mills Limited (the Company) for the year ended 30 September 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 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 that 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.



Chartered Accountants

Place: Karachi

Date: January 05, 2024

UDIN: CR2023100933K5X7Dtmv