



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 **For the Year ended September 30, 2022**

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

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of the Board is as follows:
 - i. Executive director 2
 - ii. Non-executive directors 2
 - iii. Independent director 3
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 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 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 recording and circulating minutes of meeting of the Board. However, the frequency of the number of meetings could not be met.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. This year the Board could not arrange Directors' Training Program. The Board has although noted the requirements for compliance in the coming year at the earliest possible.
10. The Board has approved the appointment of Chief Executive Officer, Chief Financial Officer, 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. Chief Executive Officer, Chief Financial Officer and a Director duly endorse the financial statements before approval of the Board.



12. Following committees were formed for the period under review comprising of members given below:

AUDIT COMMITTEE:

- | | |
|--------------------------------|-------------|
| 1. Miss. Sadia Moin | Chairperson |
| 2. Mr. Saleem Zamindar | Member |
| 3. Mr. Muhammad Saleem Mangrio | Member |

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

- | | |
|---------------------------------|----------|
| 1. Mr. Abdul Qayyum Khan Abbasi | Chairman |
| 2. Mr. Muhammad Jamshid Malik | Member |
| 3. Mr. Shams Ghani | Member |

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 of the committees were as per following:

- | | |
|----------------------------------|----|
| a. Audit Committee | 02 |
| b. HR and Remuneration Committee | 01 |

15. The Board has set up an effective internal audit function.

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, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3, 6, 7, 8.32, 33 and 36 of the Regulations have been complied with.

Saleem Zamindar

Saleem Zamindar
Chairman

Karachi: April 06, 2023



INDEPENDENT AUDITORS' REVIEW REPORT TO MEMBERS OF SAKRAND SUGAR MILLS 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 (here-in-after referred to as 'the Regulations'), prepared by the Board of Directors of Sakrand Sugar Mills Limited (the Company) for the year ended 30 September 2022 in accordance with the requirements of the Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

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.

Following instances of non-compliance with the regulations were observed which are not stated in the Statement of Compliance:

- Auditors were not invited in any meeting of the audit committee.

Based on our review, except for the matters stated above 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 2022.

Further, we highlight below instances of non-compliance with the requirements of Regulations reflected in the paragraph reference where it stated in the compliance report.



- Paragraphs 7 & 14, the frequency for the meetings of the Board of Directors and Audit Committee is not as per requirement.
- Paragraph 9, Director's training program was not arranged by the company during the year to any of its directors.

Umy Hasan Naem .c

Chartered Accountants

Place: Karachi

Date: April 7, 2023

UDIN: CR202210311HKvVobxt8