

# STATEMENT OF COMPLIANCE

## With Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company : SHAKARGANJ LIMITED  
Year Ended : 30 September 2022

Shakarganj Limited (the company) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are eight as per the following:
  - a. Male : Seven
  - b. Female : One
2. The composition of the Board of Directors (the Board) is as follows

Category	Names
Independent Directors*	Mr. Shaikh Asim Rafiq Ms. Zahra Ahsan Saleem (female)
Executive Directors	Mr. Anjum Muhammad Saleem (Chief Executive Officer) Mr. Ali Altaf Saleem (Deputy Chief Executive Officer)
Non-Executive Directors	Mr. Mian Muhammad Anwar Mr. Javed Anjum Mr. Khalid Bashir Mr. Yasir Ghaffar**

\*The company could not round up independent directors' fraction due to challenges in inducting further independent directors. The company will strive to fill this gap at the earliest.

\*\* Mr. Yasir Ghaffar has resigned with effect from 24 October 2022. Subsequently appointment of Mr. Muhammad Pervez Akhtar has been made on 12 January 2023.

3. 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 Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (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 of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has already arranged Directors' Training program for the following:
1. Mr. Ali Altaf Saleem
  2. Mr. Sheikh Asim Rafiq
  3. Mr. Javed Anjum
  4. Mr. Yasir Ghaffar (Resigned with effect from 24 October 2022)

Moreover, our following three directors meet the exemption criteria of minimum 14 years education and 15 years of experience on the boards of listed companies, hence exempt from Directors' Training Program:

1. Mr. Mian Muhammad Anwar
2. Mr. Khalid Bashir
3. Mr. Anjum Muhammad Saleem

10. The Board has approved appointment of 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 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:

**a) Audit Committee**

- |                        |            |
|------------------------|------------|
| Mr. Sheikh Asim Rafiq  | (Chairman) |
| Mr. Khalid Bashir      | (Member)   |
| Mr. Javed Anjum        | (Member)   |
| Ms. Zahra Ahsan Saleem | (Member)   |

**b) HR and Remuneration Committee**

- |                           |               |
|---------------------------|---------------|
| Ms. Zahra Ahsan Saleem    | (Chairperson) |
| Mr. Khalid Bashir         | (Member)      |
| Mr. Mian Muhammad Anwar   | (Member)      |
| Mr. Anjum Muhammad Saleem | (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 aforesaid committees were as per following:

a) Audit Committee: Five meetings during the financial year ended 30 September 2022.

b) HR and Remuneration Committee: One meeting was held during the financial year ended 30 September 2022.

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 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 and all other requirements 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:

Non-Mandatory Requirement	Reg. No.	Explanation
<b>Directors' training</b> It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19(1)	The Independent Director Ms. Zahra Ahsan Saleem could not attend the directors' training program due to tight schedule. However, Company is arranging directors' training program for her as early as possible.
<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)	The Board has not constituted separate Nomination Committee and currently functions required to be performed by nomination committee are being dealt with by HR & R 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 in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The Board has not constituted separate Risk Management Committee and currently functions required to be performed by such committee are being performed by the Board.

By Order of the Board



Anjum Muhammad Saleem  
Chief Executive Officer



Ali Altaf Saleem  
Director

31 January 2023

## **Independent Auditor's Review Report**

To the members of Shakarganj 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 Shakarganj Limited (the Company) for the year ended 30 September 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 30 September 2022.

Faisalabad  
01 February 2023  
UDIN: CR202210184J6Bvb18lq

*Riaz Ahmad & Co.*

RIAZ AHMAD & COMPANY  
Chartered Accountants