

Statement of Compliance with Listed Companies

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Khairpur Sugar Mills Limited (the Company) has complied with the requirements of listed Companies (Code of Corporate Governance) Regulations 2019, in the following manner:

Name of Company : **KHAIRPUR SUGAR MILLS LIMITED**

For the Year ended : **SEPTEMBER 30, 2024**

1. The total number of Directors are seven as per the following:

Sr. No.	Category	Number
a)	Male:	Five (5)
b)	Female:	Two (2)

2. The composition of the Board is as follows:

Sr. No.	Category	Number
(i)	Independent Directors	Mr. Asif Khan Brohi Mr. Ghulam Nabi Memon Morai* Lt. Gen (Rtd.) Tahir Mahmud Qazi**
(ii)	Non-Executive Directors	Mr. Fahad Mubeen Jumani Mrs. Qamar Mubeen Jumani Miss. Arisha Mubeen Jumani
(iii)	Executive Directors	Mr. Muhammad Mubeen Jumani Mr. Faraz Mubeen Jumani
(iv)	Female Directors	Mrs. Qamar Mubeen Jumani Miss. Arisha Mubeen Jumani

* Mr. Ghulam Nabi Memon Morai was elected as an independent director on April 26, 2024 in place of Lt. Gen.(R) Tahir Mahmud Qazi.
** Lt. Gen.(R) Tahir Mahmud Qazi retired from the Board on April 26, 2024.

Fraction (0.33) related to the requirement for number of independent Director is less than 0.5 and therefore, has not been rounded up as one.

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company.
- 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.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- 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 (the Act) and the Regulations.

7. The meetings of the Board were presided over by the Chairperson and, in her 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 Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. All directors are exempted from the Director Training Program (DTP) as they meet the exemption requirements. Additionally, the two (2) independent directors, have been registered with the Pakistan Institute of Corporate Governance (PICG) as per the regulations.
10. There were no new appointments of the Chief Financial Officer and the head of internal audit. The Board, with deep sorrow, acknowledged the passing of Mr. Shoaib-ul-Haq, Company Secretary, on September 15, 2024. Subsequently, the Board officially approved the appointment of Mr. Mirza Muhammad Bilal Kamil as the new Company Secretary, effective from November 1, 2024. However, all appointments, including their remuneration and terms and conditions of employment, are in compliance with the 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 had formed committees comprising of members given below:

Sr. No.	Name of Committee	Composition	
		Name	Designation
(i)	Audit Committee	Mr. Asif Khan Brohi	Chairman/Member
		Mr. Ghulam Nabi Memon Morai*	Member
		Lt. Gen. (Rtd.) Tahir Mahmud Qazi**	
		Mrs. Qamar Mubeen Jumani	
(ii)	Human Resource and Remuneration Committee	Mr. Asif Khan Brohi	Chairman/Member
		Mr. Ghulam Nabi Memon Morai*	Member
		Lt. Gen. (Rtd.) Tahir Mahmud Qazi**	
		Mrs. Qamar Mubeen Jumani	
(iii)	Nomination Committee	Mr. Asif Khan Brohi	Chairman/Member
		Mr. Fahad Mubeen Jumani	Member
		Mrs. Qamar Mubeen Jumani	
(iv)	Risk Management Committee	Mr. Asif Khan Brohi	Chairman/Member
		Mr. Muhammad Mubeen Jumani	Member
		Miss. Arisha Mubeen Jumani	

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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 (quarterly/half yearly/yearly) were during the financial year as per following:

Sr. No.	Name of Committee	Number of meetings held during the Financial Year ended September 30, 2024
01.	Audit Committee:	Four (04)
02.	Human Resource and Remuneration Committee	One (01)
03.	Nomination Committee	One (01)
04.	Risk Management Committee	One (01)

15. The Board has set up an effective 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 (ICAP) 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 (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parents, 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.
19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are given below:

Sr. No.	Requirement	Regulation Number	Explanation of Non - Compliance
01.	<p>Certain prescribed policies on website.</p> <p>The company may post on its website key elements of its significant policies including but not limited to the following:</p> <p>(i) Communication and disclosure policy.</p> <p>(ii) Risk management policy.</p>	35(1)	At present, all required policies have been uploaded to the company's website, except for the Communication and Disclosure Policy and Risk Management Policy, which are currently under development. While some policies, such as the Code of Conduct, Internal Control Policy, CSR / Sustainability / ESG Policy, and DE&I and Harassment Protection Policy, are partially compliant, others like the Whistle Blowing Policy are fully compliant. These policies are in their final stages and will be made available on the website shortly.
02.	<p>Environmental, Social and Governance (ESG) matters</p> <p>The board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.</p>	10(A)(5)	In response to the recent SECP notification dated June 12, 2024, the company has already initiated steps to comply with the new requirements. This includes considering the establishment of a dedicated sustainability committee, which will include at least one female director, as per the new regulations. The company is fully committed to ensuring that these requirements will be met in due course, and we are taking all necessary actions to align with the best practices and regulatory standards, ensuring full compliance without delay.

Sr. No.	Requirement	Regulation Number	Explanation of Non - Compliance
03.	<p>Significant Policies</p> <p>The significant policies may include but not limited to the anti-harassment policy to safeguard the rights and well-being of employees, incorporating the mechanism as prescribed under the Protection Against Harassment of Women at the Workplace Act 2010 and the respective provincial laws on the protection against harassment of women at workplace for the time being in force.</p>	10(4)(xvi)	The company's Code of Conduct already addresses workplace harassment. However, in line with the SECP's notification dated June 12, 2024, the company is in the process of introducing a standalone anti-harassment policy. We are committed to finalizing and implementing this policy promptly to ensure full compliance with the new requirements.
04.	<p>Simultaneously holding office by the same person</p> <p>Holding of Office of chief financial officer and the company secretary by same person.</p>	24	Considering the volume and nature of transactions and corporate structure of the Company, positions of CFO and Company Secretary are not segregated. However, we may segregate duties of two offices if situation needed.



Mrs. Qamar Mubeen Jumani
Chairperson

Dated: December 27, 2024
Place: Karachi