

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

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

1. The total number of Directors are seven (7) as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of the Board is as follows:

Category	Name
Independent Director	Mr. Wasim Akram
Non-Executive Directors	Mr. Khurram Mazhar Karim (Chairman) Mr. Shahjahan Mazhar Karim Mr. Shameel Mazhar Mr. Shehryar Mazhar
Executive Director	Mr. Humayun Mazhar (Chief Executive Officer)
Female Director	Miss. Rijah Khurram Mazhar

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 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. The Board will arrange Directors' Training program for its directors in the next financial year. Moreover, following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

Names of Directors

Mr. Humayun Mazhar
 Mr. Khurram Mazhar Karim

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

Names	Designation held
Mr. Wasim Akram	Chairman
Mr. Shehryar Mazhar	Member
Mr. Shahjahan Mazhar Karim	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Shehryar Mazhar	Chairman
Mr. Wasim Akram	Member
Miss Rijah Khurram Mazhar	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

Four meetings of Audit Committee were held during the financial year ended 30 June 2022.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2022.

15. The board has set up an internal audit function by appointing Head of Internal Audit who is 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, 7, 8, 32, 33 and 36 of the Regulations have been complied with, except for the requirements of regulation 6 and 27, against which compliance will be made in due course;
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1.	Responsibilities of BOD and its members The board of directors is responsible for the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies. The board shall undertake at least annually, an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders.	Operations of the Company have been closed since 2011, and all the assets of the Company have been sold. Risk management policies will be established after implementation of new Business plan upon settlement of liabilities with financial institutions.	10 (2)
2.	Company Secretary Company Secretary and Chief Financial Officer are the same person	Operations of the Company have been closed since 2011, and all the assets of the Company have been sold. Due to cost reduction Company Secretary and Chief Financial Officer are the same.	24
3.	Nomination Committee 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.	Due to closed operations of the Company and limited staff board has not constituted nomination Committee separately.	29

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
4.	Risk Management Committee 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.	Due to closed operations of the Company and limited staff board has not constituted Risk Management Committee.	30
5.	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	We have uploaded code of conduct, alongwith TOR of Audit Committee and Human Resource and Remuneration Committee on our website. However, as company is not carrying on any business and working with minimum employees therefore, other policies like risk management policies, whistle blowing policies, communication and disclosure policies and corporate social responsibility/ sustainability / environmental, social and governance related policies etc. are not uploaded on website.	35



Khurram Mazhar Karim
Director

Lahore:
October 04, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Crescent Jute Products 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 **Crescent Jute Products Limited** (the Company) for the year ended June 30, 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 June 2022.

We highlight below the instances of non-compliance with the mandatory requirements of the Regulations as reflected in paragraph 18 of the Statement of Compliance:

- There is only one independent director on the Board of Directors of the Company as reflected in the composition of the Board. The independent directors should be two or one third members of the Board, whichever is higher as required by Regulation 6(1) of the Regulations.

Further, as required by Regulation 19.1 of the Regulations appropriate orientation and training of the directors have not been arranged by the Company during the year. The Board will arrange Directors Training Program for its directors in the next financial year as reflected in paragraph 9 of the Statement of Compliance.

RIZWAN & COMPANY

Chartered Accountants
UDIN: CR202210101eDkdunqZt

Islamabad : October 04, 2022