

# STATEMENT OF COMPLIANCE

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

Name of company: Escorts Investment Bank Limited  
Year ending: June 30, 2023

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

1. The total number of directors are seven (07) as per the following:

a)	Male:	6
b)	Female:	1

2. The composition of board is as follows:

i)	Independent Directors	Mr. Muhammad Mubashir Hussain* Mr. Rashid Aziz*
ii)	Non-executive Directors	Khawaja Nadeem Abbas* Syed Tahir Nawazish Ms. Madiha Arooj
iii)	Executive Director	Mr. Basit Rahman Malik Mr. Muhammad Rasheed Alam
iv)	Female Director	Ms. Madiha Arooj

\* Subsequent to the yearend Mr. Muhammad Mubashir Hussain and Khawaja Nadeem Abbas resigned on July 15, 2023 and Mr. Rashid Aziz resigned on August 28, 2023.

\*\* Mr. Shahid Hosain Kazi (Independent Director) and Mr. Qasif Shahid (Non-executive Director) have been appointed at the Board of Company, subject to clearance of Fit and Proper Criteria from Securities and Exchange Commission of Pakistan in accordance with NBFC Regulations 2008. Company has duly filed the related documents with SECP for seeking final approval.

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 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 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 has not arranged Directors' Training Program during the year;

Following Director meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence is exempt from Directors' training program:

Syed Tahir Nawazish

10. The Board has approved appointment of Chief Financial Officer and Company Secretary 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**

<b>Name of Directors</b>	<b>Designation Held</b>
Mr. Rashid Aziz*	Chairman
Khawaja Nadeem Abbas *	Member
Syed Tahir Nawazish	Member

\* Subsequent to the yearend Mr. Rashid Aziz has resigned from the Board on August 28, 2023 and Khawaja Nadeem Abbas resigned on July 15, 2023. Hence, audit committee will be reconstituted upon the approval of new directors by SECP.

**b. HR and Remuneration Committee**

<b>Name of Directors</b>	<b>Designation Held</b>
Mr. Rashid Aziz*	Chairman
Mr. Basit Rahman Malik	Member
Syed Tahir Nawazish	Member

\* Subsequent to the yearend Mr. Rashid Aziz has resigned from the Board on August 28, 2003. Hence, HRRC will be reconstituted upon the approval of new directors by SECP.

**c. Risk Management Committee**

<b>Name of Directors</b>	<b>Designation Held</b>
Mr. Rashid Aziz*	Chairman
Mr. Basit Rahman Malik	Member
Syed Tahir Nawazish	Member

\* Subsequent to the yearend Mr. Rashid Aziz has resigned from the Board on August 28, 2003. Hence, Risk Management Committee will be reconstituted upon the approval of new directors by SECP.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance except risk management committee;

14. The frequency of meetings of the committees were as per following:
- Audit Committee Quarter 1: One Quarter 2: One Quarter 3: One Quarter 4: One
  - Human Resource and Remuneration Committee (One meeting in financial year)
  - Risk Management Committee (No meeting in financial year)
15. The Board had set up an effective internal audit function staffed with persons who were suitably qualified and experienced for the purpose and were well conversant with the policies and procedures of the Company. Head of Internal Audit resigned during the year. On 30-06-2023 the vacancy was vacant.
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 requirements 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 below:

<b>Non Mandatory Requirement</b>	<b>Reg. No</b>	<b>Explanation</b>
<b>Representation of Minority shareholders:</b> The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
<b>Responsibilities of the Board and its members:</b> Adoption of the corporate governance practices.	10 (1)	Non-mandatory provision of the CCG Regulations are partially complied.
<b>Directors' Training</b> It is encouraged that by June 30,2023 all the directors on Boards shall 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)	3 out of 7 directors of the Company have either acquired Directors' Training Program certification or are exempt from Director's Training Program. The Company has planned to arrange Directors' Training Program certification for those directors that have joined during the year.
<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)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee

<p><b>Composition of Internal Audit Function</b>          The Company shall appoint or designate a fulltime employee other than chief financial officer, as head of internal audit holding equivalent qualification prescribed under the Regulations to act as coordinate between firm providing internal audit services and the Board.</p>	<p>31</p>	<p>Head of Internal Audit resigned during the year. The Board is looking for a suitable candidate.</p>
<p><b>Disclosure of significant policies on website:</b>          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.</p>	<p>35</p>	<p>Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.</p>

The two elected independent directors have requisite competencies, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.



**Syed Tahir Nawazish**  
 Chairman

# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ESCORTS INVESTMENT BANK 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 Escorts Investment Bank Limited ("the Company") for the year ended June 30, 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 noncompliance 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 June 30, 2023.

Sr. No.	Paragraph Reference	Description
1.	Regulation 23 CCG 2019	Head of Internal audit has resigned, and the office is vacant as at 30 June 2023.

Dated: 04 October 2023  
UDIN: CR202310297AhG4VR9nz  
KARACHI

  
**TARIQ ABDUL GHANI MAQBOOL & CO.**  
Chartered Accountants