

**DADABHOY  
SACK  
LIMITED**



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**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE  
REGULATIONS)**

**Name of Company:** Dadabhoy Sack Limited  
**Year ended:** June 30, 2022

Dadabhoy Sack Limited (the Company) has complied with the requirements of the Regulations in the following manner:

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

- a. Male: 5
- b. Female: 2

2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent Directors	Mr. Fazal-ur-Rehman Mr. Sahir Yousuf Zai Mr. Aamir Rafiq Bhatti
Non-Executive Director	Mr. Danish Dadabhoy
Executive Director	Mr. Fazal Karim Dadabhoy
Female Directors	Mrs. Noor Bakht Dadabhoy Mrs. Humaira Dadabhoy

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. While significant policies of the Company are in the process of formulation as the Company is planning for revival in due course;
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. 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 these Regulations;
9. The Board has not arranged any training program during the year. However, two of the board members are exempt from the training program.
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. However, no appointment of head of internal audit has been made during the year due to operational inactivity of the Company;
11. Chief Financial Officer (CFO) and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board;
12. The Board had formed committees comprising of members given below:

**a. Audit Committee**

<b>Sr. #</b>	<b>Name</b>	<b>Designation</b>
I	Mr. Fazal-ur-Rehman	Chairman
II	Mr. Danish Dadabhoy	Member
III	Mrs. Humaira Dadabhoy	Member

**b. HR and Remuneration Committee**

<b>Sr. #</b>	<b>Name</b>	<b>Designation</b>
I	Mrs. Noor Bakht Dadabhoy	Chairman
II	Mr. Danish Dadabhoy	Member
III	Mrs. Humaira Dadabhoy	Member

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 of the committees were as per following:

<b>Committee</b>	<b>Frequency of Meetings</b>
Audit Committee	Quarterly

No meeting of the HR and Remuneration Committee could not be held during the year as there is no employee on the payroll of the Company due to closed operations.

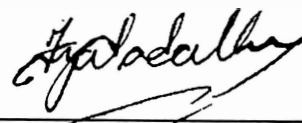
15. Due to operational inactivity of the Company, the Board has not formed any internal audit function during the year;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants 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 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 except as stated above in paragraph 14. Further, none of the audit committee members is financial literate.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- a. Formal and effective mechanism for the annual evaluation of Board members will be put in place when the operations are started.
  - b. Since the Company is at dormant stage, therefore no orientation programs were arranged for the Directors during the year.
  - c. Company Secretary does not possess the required qualification as the Company cannot afford professionals due to liquidity issues.
  - d. Directors' Report on the affairs of the Company could not be annexed with the financial statements of the 1st, 2<sup>nd</sup> and 3rd quarters of the financial year due to inadvertent omission on the part of management.

**On Behalf of the Board,**



**Danish Dadabhoy**  
**Chairman**



**Fazal Karim Dadabhoy**  
**Chief Executive**

**Karachi**

**Dated: 07<sup>th</sup> October, 2022**

**REANDA**

Reanda Haroon Zakaria & Company  
Chartered Accountants



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DADABHOY SACK 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 (the 'Regulations'), prepared by the Board of Directors of **Dadabhoy Sack Limited** 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 June 30, 2022.



Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph references, where these are stated in the Statement of Compliance:

<i>S. No.</i>	<i>Reference</i>	<i>Description</i>
<i>i.</i>	<i>Para 5</i>	Company is in the process of formulating significant policies.
<i>ii.</i>	<i>Para 9</i>	The Company has not arranged any directors' training programs for its directors as required under section 18 and 19 of the Regulations.
<i>iii.</i>	<i>Para 10 and 15</i>	There is no internal audit function in the Company.
<i>iv.</i>	<i>Para 14</i>	No meeting of HR and Remuneration Committee was held during the year.
<i>v.</i>	<i>Para 19 a</i>	There is no mechanism for the annual evaluation of Board members.
<i>vi.</i>	<i>Para 19 b</i>	No orientation program could be arranged for the Directors during the year.
<i>vii.</i>	<i>Para 19 c</i>	Company secretary is not qualified for the position.
<i>viii.</i>	<i>Para 19 d</i>	Directors' Report was not annexed with the 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarters' financial statements.

  
**Reanda Haroon Zakaria & Company**  
Chartered Accountants

**Engagement Partner**  
**Farhan Ahmed Memon**

**Place:** Karachi

**Dated:** 07 OCT 2022

**UDIN:** CR202210147bxWmcpdaj