



**INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of Dost Steels 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 **Dost Steels Limited** for the year ended 30 June 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, except for the non compliance of mandatory requirements as highlighted in paragraph 18 of statement of compliance with respect to number of independent directors, 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.

  
Rahman Sarfaraz Rahim Iqbal Rafiq,  
Chartered Accountants

Engagement Partner: Rashid Rahman Mir

Place: Lahore.

Date: 10 3 OCT 2022

UDIN: CR202210146POcAYxFHp

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

**Name of the Company**            **DOST STEELS LIMITED**  
**Year ended**                        **30 JUNE 2022**

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

1. The total number of directors are Nine (9) as per the following:
  - a. Male: 08
  - b. Female: 01

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

Category	Names
Independent Director	Mr. Shahab Mahboob Vora
Non-Executive Directors	Mr. Saad Zahid Mr. Bilal Jamal Iftakhar Mr. Mustafa Jamal Iftakhar (Chairman) Mr. Muhammad Shakeel (Nominee of National Bank of Pakistan) Mr. Asim Jilani (Nominee of Faysal Bank Limited)
Executive Director	Mr. Jamal Iftakhar (CEO) Mr. Zahid Iftakhar
Female Director (Non-Executive)	Mrs. Mona Zahid

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 dates 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 the Act and the Regulations with respect to frequency, recordings 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. Presently only 2 out of 9 directors have completed the training. The board could not arrange directors training program during the year for the remaining directors.
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 are complied with relevant requirements of the Regulations. No new appointment were made during the year. The Head of internal audit does not meet the qualification criteria given in Regulation 23.
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:

**Audit Committee**

Mr. Shahab Mahboob Vora (Chairman)  
Mr. Bilal Jamal Iftakhar (Member)  
Mr. Mustafa Jamal Iftakhar (Member)

**HR and Remuneration Committee**

Mr. Shahab Mahboob Vora (Chairman)  
Mr. Jamal Iftakhar  
Mr. Bilal Jamal Iftakhar

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:

<b>a) Audit Committee:</b>	<b>Four meetings during the year</b>
<b>b) HR and Remuneration Committee:</b>	<b>Once during the year</b>
15. The Board has set up an effective internal audit function which 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

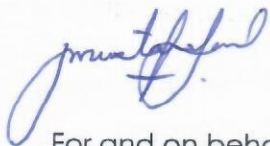
Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, 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 other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with except the following:

(Paragraph 2 of the statement of Compliance) Only one independent director on the board. Regulation -6.	The company is required to appoint 3 independent directors however in view of financial crises the person eligible to be independent directors are reluctant to join the board.
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19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

(Paragraph 9 of the Statement of Compliance) - Directors Training Program. Regulation - 19.	Regulation 19 of CCG Regulations 2019 encourages the directors training program. Dost Steels Limited being a responsible and compliant company has already arranged DTP in the past for directors and plans to do the same in the future, as soon as it over comes it financial constraints.
Paragraph 10 of the Statement of Compliance Qualification of Head of Internal Audit). Regulation -23.	In view of lack of financial resources appropriate hiring could not be made, however steps are being taken to hire qualified Head of Internal Audit.



For and on behalf of the Board  
**Dost Steels Limited**

**Mustafa Jamal Iftakhar**  
 Chairman  
 Lahore