



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building, Blue Area  
Islamabad, Pakistan  
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of Pak Datacom Limited**

**Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pak Datacom Limited for the year ended 30 June 2019 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried procedures to access and determine the Company's process



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for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2019.

We would like to highlight that the Ministry of Law and Justice vide letter dated 30 September 2016 has opined that the Telecom Foundation, established under the Charitable Endowment Act, 1890 falls within the ambit of "instrumentality or agency" of the Government under Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules") and accordingly the Company falls under the ambit of the Public Sector Companies as Telecom Foundation owns more than fifty percent of shares of the Company. However the Company has chosen to ignore this opinion and has not complied with Public Sector Companies (Corporate Governance) Rules, 2013 as specified and the Company has not presented the Statement of Compliance with the Rules. Accordingly, our review report is restricted to the compliance of the Company with the Listed Companies (Code of Corporate Governance) Regulations, 2017.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the note/ paragraph reference where this is stated in the Statement of Compliance:

<b>Serial No.</b>	<b>Reference No.</b>	<b>Description</b>
1	Paragraph 2	The independent director is less than one third of the total members of the Board.

**KPMG Taseer Hadi & Co.**  
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**Islamabad**

**4 November 2019**