



GATRON (INDUSTRIES) LIMITED



Independent Auditor's Review Report to the Members of Gatron (Industries) 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 Gatron (Industries) 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 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, 2023.

Kreston Hyder Bhimji & Co.
Chartered Accountants
Karachi: October 04, 2023
UDIN Number: CR2023102259hOXtQWHq

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Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019

Name of company: Gatron (Industries) Limited
Year ended: June 30, 2023

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

1. The total number of directors are 10 (Ten) as per the following:
 - a) Male: 9
 - b) Female: 1

2. The composition of board is as follows:

a) Independent Directors	Mr. Muhammad Waseem *
	Mr. Talat Iqbal *
	Ms. Huma Rafique *
b) Other Non-Executive Directors	Mr. Abdul Razak Diwan
	Mr. Zakaria Bilwani
	Mr. Usman Habib Bilwani
	Mr. Muhammad Iqbal Bilwani
	Mr. Saqib Haroon Bilwani **
c) Executive Directors	Mr. Shabbir Diwan
	Mr. Muhammad Taufiq Bilwani

* [The Independent Directors meets the criteria of Independence under Section 166(2) of the Companies Act, 2017]

** [During this year, Mr, Saqib Haroon Bilwani has been appointed as a Director in place of Late Haroon Bilwani]

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 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG 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 CCG Regulations with respect to



- frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the CCG Regulations.
 9. Out of ten, nine Directors have either obtained Certificate of Director's Training Program or are exempted from the requirement of Director's Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year, no Director's Training Program was arranged.
 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. The duties of the Company Secretary and Chief Financial Officer segregated and complied with the relevant requirements of the CCG Regulations.
 12. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
 13. The board has formed committees comprising of members given below:
 - a) Audit Committee: Muhammad Waseem - Chairman
Muhammad Iqbal Bilwani
Saqib Haroon Bilwani
Talat Iqbal
 - b) HR and Remuneration Committee: Talat Iqbal - Chairman
Usman Habib Bilwani
Muhammad Iqbal Bilwani
 14. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
 15. The frequency of meetings of the committees were as per following:
 - a) Audit Committee: 04 meetings
 - b) HR and Remuneration Committee: 04 meetings
 16. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
 17. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.



18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the CCG regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all other requirements of Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

SHABBIR DIWAN
CHIEF EXECUTIVE OFFICER

MUHAMMAD IQBAL BILWANI
DIRECTOR

October 03, 2023