

Independent Auditor's Review Report to the Members Globe Textile Mills 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 **Globe Textile Mills Limited** (the Company) 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 controls 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 out procedures to assess and determine the Company's process 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 June 30, 2022.

(Chartered Accountants)

Place: Karachi

Date: 31.10.2022

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

Name of Company: Globe Textile Mills Limited
Year ending: June 30, 2022

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

1. The total number of directors are 07 as per the following:
 - a. Male : 2
 - b. Female : 5

2. The composition of the Board is as follows:

Category	Name
Independent Director	None*
Non-Executive Directors	Farzana Arif (Female) Gul Bano Haji Habib (Female) Misbah Arif (Female) FarzeenFazl-e-Umer (Female) Sameera Yaseen Saya (Female)
Executive Directors	Arif Haji Habib Arshad Arif

* The company does not have an independent director

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 not been in operation therefore it has not prepared code of conduct;
5. The Board has developed a vision/mission statement. However overall corporate strategy and significant policies have not been established nor any records have been maintained, as the company has not been in operations
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 Board.
8. The Board does not have a formal policy for remuneration of directors. However, no remuneration has been paid to directors during the year.
9. Out of 7 Directors, 5 Directors are duly certified or exempted, from the Directors' Training Program. However, no Directors' Training Program was arranged during the year.

10. The Board 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. However, no new appointment has been made during the year.

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*	Arshad Arif – Chairman
	Misbah Arif
	FarzeenFaz-e-Umer

*There is no independent director in the Audit Committee and the Chairman of the Audit Committee is not an independent director.

Human Resource and Remuneration Committee	Arshad Arif – Chairman
	Farzana Arif
	FarzeenFaz-e-Umer

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 (quarterly/half yearly/ yearly) of the committee were as per following:

Board of Directors meeting	Quarterly meetings
Audit Committee	Quarterly meetings
Human Resource and Remuneration Committee	Annual meetings

15. The board has not established an effective internal audit function.

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 of 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; and

19. Explanation for non-compliance with requirements, other than, regulations 3, 6, 7, 8, 27, 32, 33 and 36 are given below:

Regulation / non compliance	Non-compliance	Explanation for non-compliance
Regulation 9	The Chairman and the Chief Executive Officer of the Company is the same person.	
Regulation 27	No independent director in the Audit Committee. Accordingly, the Chairman of the Audit Committee is not an independent director.	
Regulation 10 (3) (iv) and Regulation 31	The board has not established an effective internal audit function.	As the company has been in-operative, hence the board has not established an internal audit function.

ARIF HAJI HABIB
Chairman

Dated: 31.10.2022