

Statement Of Compliance With The Code Of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of stock exchanges for the purpose of establishing a framework of good governance whereby a listed company is managed in compliance with the best practices of corporate governance. The company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes seven independent non-executive directors and none representing minority interests as no minority shareholder offered himself / herself for election.
2. The directors of the company have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. All the directors have given declaration that they are aware of their duties and powers under the relevant laws and the company's Memorandum and Articles of Association and the listing regulations of the stock exchanges of Pakistan.
4. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the director is a member of a stock exchange.
5. No casual vacancy occurred during the year ended June 30, 2008.
6. The company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the company.
7. 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.
8. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of Chief Executive Officer (CEO) have been taken by the Board.
9. The meetings of the Board were presided over by the Chairman, except for one meeting which he could not attend. The said meeting was chaired by Mr. Maqbool H.H. Rahimtoola. The Board met at least once in every quarter during the year ended June 30, 2008. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated in time.
10. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The company has complied with all the corporate and financial reporting requirements of the Code.
14. The Board has formed an Audit Committee. It comprises of five members, of whom four are non-executive directors including the chairman of the committee.
15. The meetings of the audit committee were held at least once every quarter except for the third quarter, prior to approval of interim and final results of the company and as required by the code. There was no meeting in the third quarter due to fire incident. The terms of reference of the committee have been formed and approved by the Board and advised to the committee for compliance.

16. Due to the fire incident and the consequent losses during the year, Directors do not recommend any appropriation of profit.
17. The Board has set-up an effective internal audit function for the Company managed by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company and are involved in the Internal Audit function on a full time basis.
18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP), 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 ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the code have been complied with.

Karachi: November 7, 2008

Bashir Ahmed
Chief Executive