

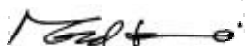
## **STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE PERIOD 30th JUNE, 2006**

This statement is being presented to comply with the code of corporate governance contained in listing regulation No. 37 of the Karachi Stock Exchange, Chapter XIII of the listing regulation of the Lahore Stock Exchange and Chapter XI of the listing regulation of the Islamabad Stock Exchange for purpose of establishing a framework of good corporate governance, whereby a listed company is managed in compliance with best practices of corporate governance.

The company applies the principles contained in the Code in the following manner.

1. The company encourages representation of independent non executive directors and directors representing minority interest on its Board. The Board of directors of the Company has always supported implementation of the highest standards of Corporate Governance at all times.
2. The directors have confirmed that none of the directors of the company are serving as a director in ten or more listed companies.
3. The company has prepared a mission statement, statement of ethics and business practices and overall corporate strategy. The significant policies are in process of finalization.
4. The board is mindful of its responsibilities to the shareholders for the performance of theirs as directors.
5. There was no casual vacancy occurred during the year.
6. The Board of Director and the Audit Committee have normally met four times in the year and notices of the meetings agendas and related papers are normally circulated at least seven days before the meeting except in case where an emergent meeting is to be held. The Chairman of the Board is normally present and always presides over the meeting of the Board and in his absence by a director elected by the Board for this purpose.
7. The minutes of the meeting were appropriately recorded and circulated as required by the Code of Corporate Governance and Companies Ordinance, 1984.
8. All the directors of the company are registered as taxpayers and none of them has defaulted in payments of any loan to a banking company, a DFI or an NBFIs or, being a member of the stock exchange, has been declared as defaulter by the stock exchange.
9. The Board arranged one orientation course for its directors during the year apprised them of their duties and responsibilities and briefed them regarding amendment in the Companies Ordinance 1984 and other corporate laws, including the changes made in income tax ordinance 2001 through Financial act.
10. The director's report has been in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.
11. The CEO and CFO duly endorsed the financial statements of the company before approval of the board.
12. The Board has the audit committee with its terms of reference. The audit committee ensures the independence of the internal audit function and the independence and objectivity of the external auditors. The audit committee meets regularly before Board meetings and committee report is presented to the board meeting.

13. The Board of Directors has implemented an organizational structure for the company and has appointed the Chief Executive, Chief Financial Officer, Head of Internal Audit and the Company Secretary to manage the affairs of the company in accordance with the Code of Corporate Governance.
14. The quarterly un-audited financial statement of the company are published and circulated along with the Director's review.
15. All material information as described in clause (Xiii) of the Code of Corporate Governance is disseminated to the Stock Exchange and Securities and Exchange Commission of Pakistan in time.
16. The Financial Statements for the period ended June 30, 2006 were presented before the Board duly signed by the CEO and CFO and the board after consideration and approval authorized the signing of the financial statement for issuance and circulation.
17. Significant issues and policies are always placed before the Board for their consideration and approval.
18. 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.
19. The company has complied with all the corporate and financial reporting requirement of the Code.
20. The Board has set up effective internal audit function with suitable qualified and experienced personnel, which are involved in the internal audit function on full time basis.
21. The 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, that they are not aware of any instances where shares of the company are held by any of the partners of the firm, their spouses and minor children and that the firm and all its partners are compliant with International Federation of Accountants (IFAC) guidelines on Code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
22. 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.



**Mohammad Salim**  
Chief Executive / Director