

Statement on Corporate and Financial Reporting Framework

The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of account of the company have been maintained. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the company's ability to continuous as a going concern.

Save for minor exceptions as given in para 9 of Statement of Compliance, there is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Key operating and financial data for last decade is summarized and printed on page 148.

The amount of withholding taxes payable appearing in note 10 to the audited financial statements for the year ended 30 June 2005 represent the time lag allowed by statutory provisions in collecting and depositing these taxes in the government treasury. The same were subsequently deposited within the time frame allowed and on due dates.

The value of investment of provident, gratuity and pension funds based on respective accounts as at 30 June 2005 is given in note 46 to the audited financial statements.

During the year 11 meetings of the Board of Directors and 5 meetings of Audit Committee were held. Attendance by each director is summarized and printed on page 50.

The statement showing the pattern of share holding in the company, as on 30 June 2005 is shown on page 155.

No trade in share of the company were carried out by the directors, chief executive, chief financial officer, company secretary, their spouse and minor children.

Dividend

The Directors are pleased to recommend payment of cash dividend at 15% i.e. Rs. 1.50 per share.

(2004: 15% cash dividend i.e. Rs. 1.50 per share).