



REPORT OF THE BOARD AUDIT COMMITTEE ON ADHERENCE TO THE CODE OF CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Board Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2022 and reports that:

1. The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, the Company's Code of Conduct and Values and the international best practices of governance throughout the year.
2. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
3. Appropriate accounting policies have been consistently applied except those disclosed in financial statements. Applicable accounting standards were followed in the preparation of the financial statements of the Company on a going concern basis for the financial year ended June 30, 2022, which fairly present the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company for the year under review.
4. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the Chairman and Directors' Reports. They acknowledge their responsibility for a true and fair presentation of the financial statements, the accuracy of reporting, compliance with regulations and applicable accounting standards, and establishment and maintenance of internal controls and systems of the Company.
5. Accounting estimates are based on reasonable and prudent judgment. Proper, accurate, and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
6. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.
7. All direct and indirect trading in and holdings of the Company's shares by directors and executives or their spouses were notified in writing to the Company Secretary along with the price, the number of shares, form of shares, and nature of the transaction. All such transactions were disclosed at the PSX and reported to the Board of Directors.

INTERNAL AUDIT FUNCTION

1. The Company's Internal Audit function is being led by the Chief Internal Auditor in compliance with the Code of Corporate Governance, who is assisted by in-house staff. The Chief Internal Auditor reports directly to the Chairman of the Board Audit Committee.
2. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and control.
3. The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and shareholders' wealth through effective financial, operational and compliance controls and risk management at all levels within the Company.
4. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.



EXTERNAL AUDITORS

1. The statutory auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2022 and shall retire on the conclusion of the 15th Annual General Meeting.
2. The final Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations 2019 and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
3. The audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
4. Being eligible for reappointment under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations 2019, the Board Audit Committee recommends their reappointment for the financial year ending June 30, 2023 on terms and remuneration negotiated by the Chief Executive Officer.
5. As recommended by the Board of Directors, the management has acquired consent from M/s A.F. Fergusons & Co., Chartered Accountants, eligible under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the listing regulations of the Pakistan Stock Exchange for the financial year ending June 30, 2023 on terms and remuneration negotiated by the Chief Executive Officer.

A handwritten signature in black ink, appearing to read 'Nihal Cassim', is positioned above the printed name.

Nihal Cassim

Chairman- Board Audit Committee

Karachi

August 15, 2022