



CDC/CS/COMPL/0295/06

July 20, 2006

Mr. M.A. Lodhi
Managing Director
The Karachi Stock Exchange (G) Limited
Stock Exchange Road
I.I. Chundrigar Road
Karachi-74000

Dear Sir,

**AMENDMENTS IN STAMP ACT, 1899 TO COVER ELECTRONIC
TRANSACTIONS**

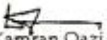
We refer to our earlier letter dated July 14, 2006 informing the Exchange about the amendments made in the Stamp Act, 1899 by the Government of Sindh, through Finance Bill of 2006, whereby covering electronic transactions in the ambit of Stamp Act, 1899.

Please note that while the initial deposit of shares into CDS were already being charged under the said Act, it seems now that it covers electronic transactions within depository as well.

Since only the Government of Sindh has amended the Stamp Act, therefore it appears that it would be applicable to securities of those companies which have registered office in the Province of Sindh. Such amendments have not been made by the other Provincial Governments, we are discussing with the Board of Revenue, Government of Sindh, to seek clarifications from them.

We have also approached SECP to apprise them about the issue and it is expected that CDC and SECP jointly would be meeting the relevant officials of Government of Sindh shortly on the subject matter and to explain them about the difficulties to be faced and its impact on the stock market.

Yours sincerely,


Kamran Qazi
CFO & Company Secretary