



C o n t e n t s

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Chairman's Review

OPERATING RESULTS

This year the Company achieved 10% growth in Tyre Sales and recorded its Highest Ever Sales Volume at 1,533,054 tyres compared to 1,398,972 tyres of last year. The increase was largely due to the increased demand for passenger car, light truck and farm tyres from original equipment manufacturers (OEMs).

Despite increase in sales volume, the Company's profitability has reduced significantly due to very high C&F prices of raw materials and low tyre prices of the competitors (mainly tyre importers). Cheaper tyres continue to be brought into the country both legally and illegally which restricts your Company's ability to recover raw material and other inflationary cost increases through market prices. Depreciation and financial charges have also increased significantly due to capitalization of the BMR & Expansion Project and mark up on long term loans taken by the Company. As a result profit after tax for the year ended June 30, 2006 is Rs. 127 million as compared to Rs. 204 million of last year.

MANUFACTURING

The record production of 1,500,055 tyres was made possible because of the extra-ordinary efforts of the employees and Management of the Company in achieving maximum capacity utilization. New presses were installed during the year which along with reduced bottlenecks and improvement initiatives helped to further increase the capacity of the Plant.

MARKETING & SALES

Your Company continues to supply tyres to all the major original equipment manufacturers of passenger cars, light trucks and tractors. Sales to the replacement market were reduced as compared to last year due to limitation of production capacity and the priority given to original equipment manufacturers.

During the year your Company exported limited quantities of tyres to Iran, which along with Syria and Afghanistan will provide potential sales opportunities as the Company continues to increase its production capacity. The feedback and repeat orders from our overseas customers also provides assurance to the Company that its products are of international quality. Your Company would continue to explore the possibility of exports to other countries.

FUTURE OUTLOOK

Your Company's technical collaboration with Continental AG of Germany will continue until 2009 under the 7 year Technical Service Agreement ('TSA') signed with Continental Tire North America, Inc. (CTNAI) - USA in 2002. This TSA allows your Company to use CTNAI's trade marks such as 'General', 'General Tyre' and the logo big 'G' as a licensee and helps your Company in addressing numerous technology and quality related issues.

In 2003, your Company set out to increase its production capacity to 1.5 million tyres through installation of additional curing presses, tyre building machines and moulds as part of the Balancing, Modernization and Rehabilitation (BMR) Project at a cost of Rs. 500 million. This Project, which also included a new mill room to improve the quality of mixing, was successfully completed and inaugurated by the Minister for Industries, Production and Special Initiatives, Mr. Jehangir Tareen.

Chairman's Review

Work on Phase 1 of the Expansion project, costing approximately Rs. 875 million, is also nearing completion which will increase production capacity of the plant to around 2.2 million tyres per annum. To cater to the continuous growth in the Replacement Market and increased demand of OEMs, your Board has approved further Rs. 450 million for Phase 2 of the Expansion project to increase production capacity to 2.5 million tyres. The cost of this Project which includes imported machinery will be financed mainly by taking additional long-term loans.

With continuous growth in the automobile sector, it is likely that sales of your Company will perform better than last year. While prices for raw materials which are mainly petroleum based have increased significantly due to escalating crude oil prices, the Company is taking actions to improve its profitability by further increasing production capacity and improving efficiency.

INDUSTRY REVIEW

The local tyre industry is facing challenging times following the Government's decision to abolish the Deletion Programme and exclude tyres from the Tariff Based System (TBS). This follows reduction in customs duty and removal of tyres and tubes from the negative list of Afghan Transit Trade Agreement last year and is likely to further increase the flow of imported and smuggled tyres into Pakistan. The Management of your company had kept a vigil on these unfair developments and had forcefully remonstrated at the highest level but regrettably so far there has been no relief. We shall continue to agitate against this unfair policy in which Tyres are the only automotive part of the Deletion List which has not been included in the newly launched TBS List. All that your company asks of the Government is to avoid discrimination against the Tyre Industry and provide us a level playing field. In case we fail in these efforts we may be constrained to have a recourse to other measures.

The Company is preparing itself to compete on the basis of tyre quality, competitive pricing and just-in-time delivery to retain its OEM customers and increase its share in the replacement market.

BUSINESS PROCESS RE-ENGINEERING / R&D

During the year your Company reviewed its production cycle and brought about process changes along with limited capital expenditure to increase the capacity of the plant from 1,300,000 to 1,400,000 tyres.

TAXES / DUTIES PAID

Your Company has contributed Rs 608 million to the national exchequer as against Rs 694 million in the previous year due to reduction in profits and import of machinery. We continue with our policy of strict compliance with all tax and customs duty laws.

DONATIONS MADE DURING THE YEAR

Your Company donated Rs 1.0 million to President's Relief Fund for earthquake victims and Rs. 3.7 million during the year to charitable institutions which promote education to under privileged children throughout the country.

Chairman's Review

CODE OF CORPORATE GOVERNANCE

Your Company continues to work closely with the Karachi Stock Exchange and Securities & Exchange Commission of Pakistan to comply with the Code of Corporate Governance in letter and spirit.

BOARD CHANGES

Effective August 30, 2006 the Board in its meeting of August 29, 2006 elected the undersigned as Chairman in place of Lt. Gen. (Retd) Ali Kuli Khan Khattak who resigned as Chairman of the Company.

Following the elections held on July 27, 2005, Mr. Tasnim-ul-Haq Farooqui and Dr. Parvez Hassan replaced Mr. Abdullah Abdul Wahab Al-Ramadhan and Mr. Karl Heinz Mohne on the Board of Directors. In October 2005, Dr. Willi Flamm replaced Dr. Parvez Hassan as Director on the Board. The Board recorded its appreciation for the valuable services rendered to the Company by the outgoing directors.

EMPLOYEE / LABOUR RELATIONS

The company has had cordial relationship with its labour through out the year. However, further to the charter of demand received by the company in January 2006, the labour union has recently threatened to take strike action.

This matter is being managed and it is expected that issues will be resolved in the near future.

In the end, on behalf of the Board I wish to acknowledge and appreciate the dedication and efforts of our employees/ workers and Management for the achievements during the year. Loyalty of our dealers/ customers and the support of our banks and financial institutions is also gratefully acknowledged and solicited for the future.



Dr. Willi Flamm
Chairman, Board of Directors

Director's Report

Your Directors have pleasure in presenting Annual Report and audited financial statements of the Company for the year ended June 30, 2006.

	2006	2005
	(Rupees in thousand)	
Financial Results		
Profit for the year after taxation	126,998	203,701
Unappropriated profit brought forward	675,186	471,485
	<u>802,184</u>	<u>675,186</u>
Appropriation		
Dividend *	104,600	NIL
Unappropriated profit carried forward	697,584	675,186
	<u>697,584</u>	<u>675,186</u>
Basic earnings per share	Rs. 2.12	Rs. 3.41

* The Board of Directors has recommended dividend of Rs. 2.00 per share for the year ended June 30, 2006. The financial statements do not reflect this dividend payable as explained in note 2.19 to the financial statements.

Compliance with the Code of Corporate Governance

As required under the Code of Corporate Governance, the Directors are pleased to confirm that:

- The financial statements of the Company, prepared by the management, present fairly its state of affairs, the results of its operations, cash flows and the changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied, except for the change as stated in note 2.7 to the financial statements, in preparation of financial statements and the 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 and departures there from, if any, have been adequately disclosed.
- 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 continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- Key operating and financial data for the last 6 years have been included in the Annual Report.

Director's Report

- Information regarding outstanding taxes and levies is given in the notes to the financial statements.
- The value of investments made by the staff retirement funds as per their respective audited accounts is given below:

	<u>Value of Investment</u>	<u>Year ended</u>
Provident Fund	Rs. 97.9 Million	June 30, 2005
Gratuity Fund	Rs. 11.7 Million	June 30, 2006

- No trading in the shares of the Company was carried out by the Directors, CFO, Company Secretary, their spouses and minor children.

Board Meetings

During the year seven (7) meetings of the Board of Directors were held. Attendance by each Director is as follows:

S. No.	Name of Director	Number of Meetings Attended
1.	Lt. Gen. (Retd) Ali Kuli Khan Khattak	5
2.	Mr. Ahmed Kuli Khan Khattak	5
3.	Mr. Asif Jameel	5
4.	Mr. Firasat Ali	7
5.	Mr. Ikram Ul-Majeed Sehgal	4
6.	Mr. Irfan Siddiqui	5
7.	Mr. Istaqbal Mehdi	3
8.	Mr. Mushtaq Ahmed Khan	3
9.	Mr. Rana Ahmed Humayun	6
10.	Mr. Raza Kuli Khan Khattak	5
11.	Mr. Tasnim-ul-Haq Farooqui*	5
12.	Dr. Willi Flamm**	3
13.	Dr. Parvez Hassan***	0
14.	Mr. Karl Heinz Mohne****	1
15.	Mr. Abdullah A. Al-Ramadhan*****	0
16.	Haroon Ahmed Zuberi	7

* Elected w.e.f. August 22, 2005

** Appointed w.e.f. October 15, 2005

*** Elected w.e.f. August 22 and resigned w.e.f. October 15, 2005

**** Term expired on August 22, 2005

***** Term expired on August 22, 2005

Director's Report

Management Changes

Lt. Gen. (Retd) Ali Kuli Khan Khattak, Chairman and Mr. Haroon Ahmed Zuberi Chief Executive Officer (CEO) resigned from their respective offices with effect from August 30, 2006. The Board elected Dr. Willi Flamm as Chairman and Lt. Gen. (Retd) Ali Kuli Khan Khattak as Chief Executive Officer (CEO) of the Company. The terms and condition of appointment of CEO shall be as follows:

	<u>Rupees per year</u>
Managerial remuneration	5,025,000
Retirements benefits	550,000
Others	406,667

The Company shall also provide transportation, security, club expenses, telephone and medical expenses at actuals. He shall also be entitled to receive other benefits as per Company policy applicable to all Management Employees.

No director is interested or concerned in such appointment except the CEO who is interested to the extent of remuneration payable to him.

Chairman's Review

The Directors of the Company endorse the contents of the Chairman's Review which covers plans and decisions for business expansion along with future outlook, industry review and strategy for WTO.

Pattern of shareholding


A statement showing the pattern of holding of shares as at June 30, 2006 is attached.

Auditors

The present Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants and Hameed Chaudhri & Co., Chartered Accountants retire and being eligible, offer themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending June 30, 2007.

For and on behalf of the Board of Directors

Karachi
Dated : September 1, 2006



Lt. Gen. (Retd) Ali Kuli Khan Khattak
Chief Executive

Key Operating & Financial Data

	2006	2005	2004	2003	2002	2001	2000
	(Rupees in million)						
Operating Results							
Gross sales	4,323	3,698	3,267	2,605	2,257	2,348	2,282
Net sales	3,732	3,198	2,803	2,239	1,906	1,967	1,902
Gross profit	521	583	627	530	428	448	505
Profit before tax	210	328	377	334	245	287	326
Profit after tax	127	204	236	197	175	189	200
Cash dividend *	17.5%	-	-	20%	50%	60%	60%
Bonus issue	-	-	-	250%	-	-	-
Financial Position							
Operating Fixed assets - at cost	2,620	2,080	1,526	1,344	1,285	1,223	1,187
Share capital	598	598	598	598	171	171	171
Reserves & unappropriated profit	697	675	472	237	587	497	410
Shareholders' equity	1,295	1,273	1,070	835	757	667	581
Long-term loans and liabilities against assets subject to finance leases	467	390	153	6	8	14	49

* The Board of Directors has recommended dividend of Rs. 2.00 per share (20%) for the year ended June 30, 2006. As per accounting policy, dividend is recognised as liability in the period in which it is approved by the shareholders.

Statement of Compliance with Code of Corporate Governance

For The Year Ended June 30, 2006

This statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulation No. 37 of the Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange 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 :-

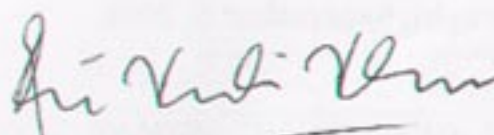
1. The Company encourages representation of non-executive directors on its Board of Directors. At present, the Board includes twelve non - executive Directors.
2. The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident Directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non - Banking Financial Institution. None of the resident Directors are a member of any of the stock exchanges on which the Company's shares are listed.
4. One vacancy occurring on the Board due to resignation was filled in by the Board of Directors within 30 days.
5. The Company has prepared "Statement of Ethics and Business Practices" which has been signed by all the Directors and management employees of the Company.
6. 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.
7. 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 the Chief Executive (CEO) have been taken by the Board.
8. All the meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. 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.
9. An orientation course was conducted during the year ended June 30, 2003 to apprise the directors of their duties and responsibilities.
10. The Board has approved appointment of Chief Financial Officer (CFO) and Head of Internal Audit including their remuneration and terms and conditions of employment, as determined by the Chief Executive. The appointment of the Company Secretary had been made prior to the application of the Code.

Statement of Compliance with Code of Corporate Governance

11. 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.
12. The financial statements of the Company were duly endorsed by the CEO and the CFO, before approval by the Board.
13. 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.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three members, all of whom are non – executive Directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formulated and advised to the Committee for compliance.
17. The Company has set up an effective Internal Audit Function.
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, 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 the Institute of Chartered Accountants of Pakistan.
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.

For and on behalf of the Board of Directors

Karachi
Dated : September 1, 2006


Lt. Gen. (Retd) Ali Kuli Khan Khattak
Chief Executive

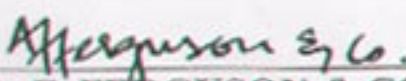
**Review Report of Members on Statement of Compliance with
Best Practices of Code of Corporate Governance**

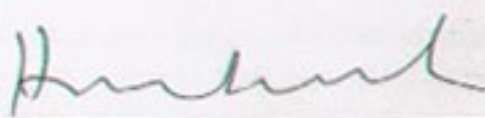
We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of The General Tyre and Rubber Company of Pakistan Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2006.


A. F. FERGUSON & CO.
Chartered Accountants
Karachi, September 5, 2006


HAMEED CHAUDHRI & CO.
Chartered Accountants
Karachi, September 5, 2006

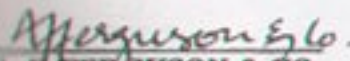
Auditor's Report to Members

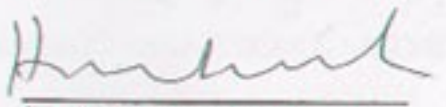
We have audited the annexed balance sheet of The General Tyre and Rubber Company of Pakistan Limited as at June 30, 2006 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as stated in note 2.7 to the financial statements with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2006 and of the profit, its changes in equity and cash flows for the year then ended; and
- (d) in our opinion zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.


A. P. FERGUSON & CO.
Chartered Accountants
Karachi, September 5, 2006


HAMEED CHAUDRI & CO.
Chartered Accountants
Karachi, September 5, 2006

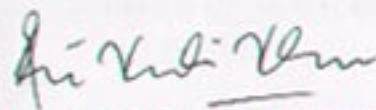
Balance Sheet
As at June 30, 2006

	Note	2006 (Rupees in thousand)	2005 Restated
SHARE CAPITAL AND RESERVE			
Share capital Authorised 75,000,000 (2005: 75,000,000) ordinary shares of Rs 10 each		750,000	750,000
Issued, subscribed and paid-up Reserve	5	597,713 697,584 <u>1,295,297</u>	597,713 675,186 <u>1,272,899</u>
LONG TERM MURABAHA FINANCING	6	200,000	300,000
LONG TERM LOANS	7	200,000	-
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES	8	66,846	89,823
STAFF BENEFITS	9	119,350	107,269
DEFERRED CREDIT	10	430	577
DEFERRED TAXATION	11	33,298	7,726
LONG TERM DEPOSITS FROM DEALERS	12	9,350	9,200
CURRENT LIABILITIES AND PROVISIONS			
Current maturity of			
- long term murabaha financing	6	100,000	100,000
- liabilities against assets subject to finance leases	8	22,950	12,820
Short term finances	13	410,764	50,000
Running finances under mark-up arrangements	14	97,829	101,063
Trade and other payables	15	708,207	528,237
Accrued mark-up	16	7,778	2,860
Provisions	17	121,300	118,200
		<u>1,468,828</u>	<u>913,180</u>
CONTINGENCIES AND COMMITMENTS	18		
		<u>3,393,399</u>	<u>2,700,674</u>

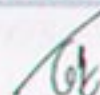
The annexed notes 1 to 47 form an integral part of these financial statements.

Balance Sheet

	Note	2006 (Rupees in thousand)	2005 Restated
PROPERTY, PLANT AND EQUIPMENT	19	1,456,300	1,019,272
INTANGIBLE ASSETS	20	482	554
INVESTMENTS	21	-	-
LONG TERM LOANS AND ADVANCES	22	4,234	5,173
LONG TERM DEPOSITS AND PREPAYMENTS	23	7,559	8,514
CURRENT ASSETS			
Stores and spares	24	301,227	274,120
Stocks	25	1,012,679	880,196
Trade debts	26	409,711	322,341
Loans and advances	27	15,367	10,336
Deposits and prepayments	28	34,660	51,683
Other receivables	29	32,047	33,651
Taxation		40,158	15,278
Cash and bank balances	30	78,975	79,556
		1,924,824	1,667,161
		<u>3,393,399</u>	<u>2,700,674</u>



Lt. Gen. (Retd) Ali Kuli Khan Khattak
Chief Executive



Tasnim-ul-Haq Farooqui
Director

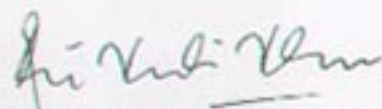
Profit & Loss Account

For the year ended June 30, 2006

	Note	2006 (Rupees in thousand)	2005 Restated
Net sales	31	3,731,994	3,197,717
Cost of sales	32	3,210,524	2,614,233
Gross profit		521,470	583,484
Administrative expenses	33	75,763	90,009
Distribution cost	34	156,398	147,608
		232,161	237,617
Operating profit		289,309	345,867
Other operating expenses	35	21,386	26,825
		267,923	319,042
Other operating income	36	29,127	26,403
		297,050	345,445
Finance cost	37	86,967	17,082
Profit before taxation		210,083	328,363
Taxation	38	83,085	124,662
Profit after taxation		126,998	203,701
Basic earnings per share	39	Rs 2.12	Rs 3.41

Note: The appropriations from profits are set out in the statement of changes in equity.

The annexed notes 1 to 47 form an integral part of these financial statements.



Lt. Gen. (Retd) Ali Kuli Khan Khattak
Chief Executive



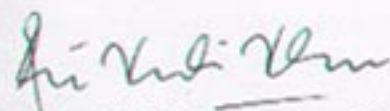
Tasnim-ul-Haq Farooqui
Director

Statement Of Changes in Equity

For the year ended June 30, 2006

	Share capital	Unappropriated profit	Total
	----- (Rupees in thousand) -----		
Balance as at June 30, 2004 as reported earlier	597,713	472,668	1,070,381
Effect of change in accounting policy relating to prior years	-	(1,183)	(1,183)
Balance as at June 30, 2004 - restated	<u>597,713</u>	<u>471,485</u>	<u>1,069,198</u>
Net profit for the year ended June 30, 2005- restated	-	203,701	203,701
Balance as at June 30, 2005- restated	<u>597,713</u>	<u>675,186</u>	<u>1,272,899</u>
Final dividend - 17.5% for the year ended June 30, 2005	-	(104,600)	(104,600)
Net profit for the year ended June 30, 2006	-	126,998	126,998
Balance as at June 30, 2006	<u>597,713</u>	<u>697,584</u>	<u>1,295,297</u>

The annexed notes 1 to 47 form an integral part of these financial statements.



Lt. Gen. (Retd) Ali Kuli Khan Khattak
Chief Executive



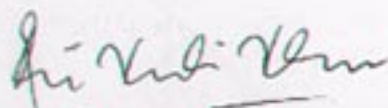
Tasnim-ul-Haq Farooqui
Director

Cash Flow Statement

For the year ended June 30, 2006

	Note	2006 (Rupees in thousand)	2005
Cash flow from operating activities			
Cash generated from operations	40	371,970	258,962
Staff retirement gratuity paid		(5,612)	(3,507)
Compensated absences paid		(998)	(84)
Long term deposits from dealers		150	200
Financial charges paid		(82,049)	(15,157)
Taxes paid		(82,393)	(111,045)
Long term loans and advances		939	(1,509)
Long term deposits and prepayments		955	(3,124)
Net cash inflow from operating activities		202,962	124,736
Cash flow from investing activities			
Fixed capital expenditure		(547,673)	(504,042)
Proceeds on disposal of fixed assets		2,953	-
Profit on bank deposits received		543	189
Net cash flow from investing activities		(544,177)	(503,853)
Cash flow from financing activities			
Long term murabaha financing		(100,000)	300,000
Liabilities against assets subject to finance leases		(12,847)	(1,635)
Long term loans		200,000	-
Short term finances		360,764	50,000
Dividends paid		(104,049)	(125)
Net cash flow from financing activities		343,868	348,240
Increase / (decrease) in cash and cash equivalents		2,653	(30,877)
Cash and cash equivalents at the beginning of the year		(21,507)	9,370
Cash and cash equivalents at the end of the year	41	(18,854)	(21,507)

The annexed notes 1 to 47 form an integral part of these financial statements.



Lt. Gen. (Retd) Ali Kuli Khan Khattak
Chief Executive



Tasnim-ul-Haq Farooqui
Director