



PIONEER  
CEMENT LTD.



# PIONEER CEMENT LIMITED

FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED  
DECEMBER 31, 2006

## CONTENTS

Corporate Information	3
Directors' Report to the Members	5
Auditor's Review Report to the Members	6
Balance sheet	7
Profit and Loss Account	8
Cash Flow Statement	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Chairman

Mr. Manzoor Hayat Noon

#### Managing Director & CEO

Mr. Javed Ali Khan

#### Non Executive Director

Mr. K. Iqbal Talib

Mr. Adnan Hayat Noon

Mr. Salman Hayat Noon

Mr. Wajahat A. Baqai (NBP)

Mr. Rafique Dawood (FDIB)

#### Independent Non Executive Director

Mr. Cevdet DAL

Mr. Etrat Hussain Rizvi

Mr. Saleem Shahzada

### AUDIT COMMITTEE

#### Chairman

Mr. Rafique Dawood (FDIB)

#### Members

Mr. Salman Hayat Noon

Mr. Adnan Hayat Noon

Mr. Etrat Hussain Rizvi

Mr. Wajahat A. Baqai (NBP)

### CHIEF FINANCIAL OFFICER

Mr. Badruddin Fakhri

### COMPANY SECRETARY

Syed Anwar Ali

### INTERNAL AUDITOR

Mr. Muhammad Saleem

### STATUTORY AUDITORS

Ford Rhodes Sidat Hyder & Co.

**COST AUDITORS**

Siddiqui & Co.

**LEGAL ADVISORS**

Hassan & Hassan  
Sayeed & Sayeed

**BANKS**

The Bank of Punjab  
National Bank of Pakistan  
Bank Islami Pakistan Limited  
Hong Kong Shanghai Banking Corporation  
Prime Commercial Bank Limited  
Askari Commercial Bank Limited  
Bank Al-Habib Limited  
Habib Bank Limited

**REGISTERED OFFICE**

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Shahrah-e-Quaid-e-Azam,  
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**WEBSITE**

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## DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

I would like to present half yearly financial results for the period ended 31<sup>st</sup> December 2006 on behalf of the Directors of the Company.

Cement Production during the period under review increased by 31% to 514,173 tons. Sales Volume in the domestic market also increased by 46% to 455,468 tons. Unfortunately Sales Revenue could not increase due to almost 50% reduction in the Retention Price of Cement. The Retention Price declined due to price war among cement companies, which had started with the commencement of current financial year.

While we could hardly breakeven during the last quarter, we had to suffer a loss of Rs. 121 million during the half year under view, whereas a net profit of Rs. 388 million was earned during the same period last year. Earning / (loss) per share works out to (Rs 0.72) as against Rs. 2.29 for the same period of last year. Major factors responsible for the loss are as under:

1. Impact of decline in selling prices	Rs. 586 Million
2. Increase in financial charges	Rs. <u>86 Million</u>
	<b>Rs. <u>672 Million</u></b>

It is encouraging that from the third week of January 2007 cement prices have started improving. In February'07 cement prices have considerably recovered. The demand of cement has also witnessed unprecedented growth (29%) during last few months. This gives hope that operations will start yielding adequate margins, shortly. Management has taken appropriate measures to improve the working capital which will address the issues of current ratio.

We are grateful to our bankers, contractors, suppliers and distributors for their continued cooperation.

We also acknowledge the dedications of our employees for producing best possible results for the Company.

Manzoor Hayat Noon  
Chairman

February 27, 2007  
Karachi

## REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed interim condensed balance sheet of **Pioneer Cement Limited** as at **December 31, 2006**, and the related interim condensed profit and loss account, interim condensed cash flow statement and interim condensed statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the “interim condensed financial statements”) for the half-year then ended. These interim condensed financial statements are the responsibility of the Company’s management. Our responsibility is to issue a report on these interim condensed financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed interim condensed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

KARACHI:  
February 27, 2007

**FORD RHODES SIDAT HYDER & CO.**  
CHARTERED ACCOUNTANTS

**PIONEER CEMENT LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT DECEMBER 31, 2006**  
**(UN-AUDITED)**

	<b>Note</b>	<b>December 31, 2006 (Rupees in '000') (Un-audited)</b>	<b>June 30, 2006 (Audited)</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	7,694,269	7,683,391
Long term loans		4,455	5,064
Long term deposits		127,827	98,809
		<u>7,826,551</u>	<u>7,787,264</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		356,331	375,858
Stock-in-trade		109,337	96,757
Assets held for disposal		32,847	32,847
Trade debts - unsecured, considered good		29,646	12,490
Loans and advances		20,342	13,670
Deposits and prepayments		5,657	1,550
Other receivables		2,073	1,756
Taxation – net		7,087	10,899
Cash and bank balances		43,079	71,905
		<u>606,399</u>	<u>617,732</u>
<b>TOTAL ASSETS</b>		<u><u>8,432,950</u></u>	<u><u>8,404,996</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
250,000,000 (June 30, 2006: 250,000,000) Ordinary shares of Rs. 10/- each		<u>2,500,000</u>	<u>2,500,000</u>
Issued, subscribed and paid-up capital	5	1,698,148	1,624,839
Reserves		353,327	697,224
		<u>2,051,475</u>	<u>2,322,063</u>
<b>SURPLUS ON REVALUATION OF FIXED ASSETS – net of tax</b>		590,789	604,342
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		101,633	430,663
Liabilities against assets subject to finance lease	6	582,669	454,070
Long term musharaka finance		-	50,000
Long term deposits		5,627	5,627
Long term creditor		23,008	29,008
Deferred liabilities		754,038	862,867
Deferred tax liability		385,579	435,989
Long term loans		1,574,069	1,812,063
		<u>3,426,623</u>	<u>4,080,287</u>
<b>CURRENT LIABILITIES</b>			
Creditors against expansion project	7	266,478	298,260
Trade and other payables		595,575	368,446
Interest / mark up accrued		76,512	42,463
Current portion of long term musharaka		50,000	-
Short term morabaha	8	99,720	-
Current portion of long term financing		359,585	40,740
Current portion of long term loans		485,064	354,170
Current portion of liabilities against assets subject to finance lease	6	213,864	133,585
Current portion of deferred liabilities		196,465	130,390
Sales tax payable		20,800	30,250
		<u>2,097,585</u>	<u>1,100,044</u>
		<u>2,364,063</u>	<u>1,398,304</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>8,432,950</u></u>	<u><u>8,404,996</u></u>

The annexed notes form an integral part of these interim condensed financial statements.

Javed Ali Khan  
**CHIEF EXECUTIVE**

Manzoor Hayat Noon  
**CHAIRMAN**

**PIONEER CEMENT LIMITED**  
**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2006**  
**(UN-AUDITED)**

	Note	Half year ended		Quarter ended	
		December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
----- (Rupees in '000') -----					
<b>Gross turnover</b>		1,900,656	1,889,050	927,757	895,728
Less:					
Excise duty		344,096	234,647	205,265	111,594
Sales tax		226,656	210,922	116,879	101,699
Commission		11,813	12,769	5,749	5,575
Freight and handling charges		19,760	19,287	3,364	7,109
		602,325	477,625	331,257	225,977
<b>Net turnover</b>		1,298,331	1,411,425	596,500	669,751
Cost of sales	10	1,229,137	834,406	644,459	389,190
<b>Gross profit</b>		69,194	577,019	(47,959)	280,561
Distribution cost		22,749	18,825	12,725	10,167
Administrative expenses		47,098	33,843	27,138	17,917
		69,847	52,668	39,863	28,084
Other operating income	11	(2,281)	(81,703)	(1,877)	(49,484)
		1,628	606,054	(85,945)	301,961
Finance cost		165,729	79,426	92,781	42,001
Other charges		2,131	24,484	5,074	11,116
		167,860	103,910	97,855	53,117
<b>(Loss)/profit before taxation</b>		(166,232)	502,144	(183,800)	248,844
Taxation - current		5,835	8,525	1,558	3,894
- deferred		(50,410)	105,541	(50,410)	58,131
		(44,575)	114,066	(48,852)	62,025
<b>(Loss)/profit after taxation</b>		(121,657)	388,078	(134,948)	186,819
----- (Rupees) -----					
<b>Basic and diluted (loss)/ earnings per share</b>		(0.72)	2.29	(0.79)	1.10

The annexed notes form an integral part of these interim condensed financial statements.

Javed Ali Khan  
CHIEF EXECUTIVE

Manzoor Hayat Noon  
CHAIRMAN



**PIONEER CEMENT LIMITED**  
**INTERIM CONDENSED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2006**  
**(UN-AUDITED)**

	Note	December 31, 2006 (Rupees in '000')	December 31, 2005
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	12	250,279	446,227
Finance cost paid		(173,887)	(66,385)
Income tax paid		(5,555)	(7,907)
Retirement benefits paid		(10,175)	(1,681)
Dividend paid		(70,774)	(10)
		(260,391)	(75,983)
Increase/(decrease) in long term loans		609	(598)
Decrease in long term deposits – net		(29,017)	(48,454)
<b>Net cash (used in)/ generated from operating activities</b>		(38,520)	321,192
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(185,814)	(977,745)
Proceeds from disposal of fixed assets		1,008	80
<b>Net cash used in investing activities</b>		(184,806)	(977,665)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Morabaha financing obtained		99,720	-
(Repayments)/ receipt of long term loans		(94,772)	219,924
Repayment of long term finance		(10,185)	-
Liabilities against assets subject to finance lease – net of repayments		199,737	176,050
Short term borrowings		-	286,000
<b>Net cash generated from financing activities</b>		194,500	681,974
<b>Net (decrease)/increase in cash and cash equivalents</b>		(28,826)	25,501
<b>Cash and cash equivalents at the beginning of the period</b>		71,905	17,529
<b>Cash and cash equivalents at the end of the period</b>		43,079	43,030

The annexed notes form an integral part of these interim condensed financial statements.

Javed Ali Khan  
**CHIEF EXECUTIVE**

Manzoor Hayat Noon  
**CHAIRMAN**

**PIONEER CEMENT LIMITED**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2006**  
**(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Total reserves	Total equity
		Share premium	Accumulated Profit		
<b>Balance as at July 01, 2005</b>	1,547,466	150,682	(77,039)	73,643	1,621,109
Issue of bonus shares@ 20:1	77,373	(77,373)	-	(77,373)	-
Profit after taxation for the half year ended December 31, 2005	-	-	388,078	388,078	388,078
Surplus on revaluation of fixed assets realized through incremental depreciation charged on related assets for the period – net of tax	-	-	14,378	14,378	14,378
<b>Balance as at December 31, 2005</b>	<b>1,624,839</b>	<b>73,309</b>	<b>325,417</b>	<b>398,726</b>	<b>2,023,565</b>
<b>Balance as at July 01, 2006</b>	1,624,839	73,309	623,915	697,224	2,322,063
Final dividend for the year ended June 30, 2006 @ Re. 1/- per share	-	-	(162,484)	(162,484)	(162,484)
Issue of bonus shares@ 22.16:1	73,309	(73,309)	-	(73,309)	-
Loss after taxation for the half year ended December 31, 2006	-	-	(121,657)	(121,657)	(121,657)
Surplus on revaluation of fixed assets realized through incremental depreciation charged on related assets for the period – net of tax	-	-	13,553	13,553	13,553
<b>Balance as at December 31, 2006</b>	<b>1,698,148</b>	<b>-</b>	<b>353,327</b>	<b>353,327</b>	<b>2,051,475</b>

The annexed notes form an integral part of these interim condensed financial statements.

Javed Ali Khan  
CHIEF EXECUTIVE

Manzoor Hayat Noon  
CHAIRMAN

**PIONEER CEMENT LIMITED**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2006**  
**(UN-AUDITED)**

**1. STATUS AND NATURE OF BUSINESS**

1.1 The Company was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (the Ordinance) on February 09, 1986. Its shares are quoted on all stock exchanges in Pakistan. The registered office of the Company is situated at 1st Floor, Alfalah Building, Shahrah-e-Quaid-e-Azam, Lahore. The principal activity of the Company is manufacturing and sale of cement.

1.2 The expansion project had developed some technical problems in the coal dozing system. To solve this problem, coal dozing equipment was purchased from Germany which was installed in October 2006. Since then the expansion plant has been working satisfactorily. Due to delays in achieving the desired level of production from the expansion plant and cost overruns, incurred there against, the Company has been facing acute cashflow problems. The situation further aggravated because of losses sustained during the quarter ending December 31, 2006 due to ongoing price war in the industry. In order to overcome the mismatch between the current liabilities and current assets, a Syndicate has been formed to arrange a long term financing of Rupees one billion. Further, the price of cement has also improved which will help to improve the cash flow position of the Company. It is expected that after disbursement of the proposed financing, and profits to be earned during the second half of the current financial year as a result of increased prices, the current ratio will improve significantly.

**2. BASIS OF PREPARATION**

These interim condensed financial statements are un-audited but subject to limited scope review by the auditors. These are required to be presented to the shareholders under Section 245 of the Ordinance and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) – 34 “Interim Financial Reporting”. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended June 30, 2006. The figures of the interim condensed profit and loss account for the quarters ended December 31, 2006 and 2005 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half years ended December 31, 2006 and 2005.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed for the preparation of these interim condensed financial statements are the same as those applied in preparing the annual financial statements for the year ended June 30, 2006.

**4. PROPERTY, PLANT AND EQUIPMENT**

The following additions and deletions were made in property, plant and equipment during the period.

	<b>Additions</b>	<b>Deletion</b>
	<b>(Rupees in ‘000’)</b>	
<b>Operating fixed assets</b>		
<b>Owned</b>		
Plant and machinery Line II	1,032	*268,413
Furniture and fixture	4,475	262
Office equipment	2,240	144
Computer and accessories	2,304	89
Vehicles	1,604	875
	11,655	269,783
<b>Leased</b>		
Plant and machinery Line II	*268,413	-
Vehicles	9,142	-
	277,555	-
	289,210	269,783

\* Assets transferred from owned to leased assets as a result of sale and lease back transaction.

**Pioneer Cement Limited**

		<b>Additions (Rupees in '000')</b>	<b>Deletion (Rupees in '000')</b>
<b>Capital work in progress</b>			
Plant and machinery - owned	<b>4.2</b>	149,245	-
Civil works		24,914	-
		174,159	-

**4.1** During the period/year exchange gain amounting to Rs. 12,328 million (June 30, 2006: Rs. 17.905 million) adjusted against the cost of fixed assets.

**4.2** Includes borrowing cost amounting to Rs. 6.447 million (June 30, 2006: Rs. 84.906 million) capitalized during the period.

**December 31,  
2006  
(Rupees in '000')**

**June 30,  
2006**

**5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

	<b>Dec 31, 2006</b>	<b>June 30, 2006</b>			
	143,156	143,156	Fully paid in cash	1,431,557	1,431,557
	11,590	11,590	Issued as fully paid against outstanding loan liability	115,909	115,909
			<b>Issued as fully paid bonus shares</b>		
	7,737	-	Opening balance	77,373	-
	7,331	7,737	Issued during the period/ year	73,309	77,373
	15,068	7,737	Closing balance	150,682	77,373
	169,814	162,483		1,698,148	1,624,839

**6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

Opening balance	587,654	287,758
Assets acquired during the period/year	277,555	334,900
	865,209	622,658
Less: Payments during the period/year	(68,676)	(35,003)
	796,533	587,655
Less: Current portion of the liability	(213,864)	(133,585)
	582,669	454,070

**6.1** During the period the Company entered in to 4 new lease agreements with various financial institutions amounting to Rs. 277.555 million, payable in 36-48 equal monthly/quarterly installments, having a floating/ fixed rate of 6 month's KIBOR plus 350 to 400 basis points and 14.5% respectively. The liability is secured by demand promissory note and in few cases by post dated cheques and personal guarantees of sponsoring directors.

**7.** Includes payable to a related party amounting to Rs. 203.894 million (June 30, 2006: 207.335 million).

**8. SHORT TERM MORABAHA - secured**

Represents morabaha financing facility of Rs.100 million obtained from BankIslami Pakistan Limited repayable in various installments starting from September 2006 and is repayable by November 2007. The rate of profit is 6 months KIBOR plus 3.5% per annum with a floor and cap of 13% and 18% per annum respectively. The loan is secured by hypothecation over the Company's fixed assets, stocks and receivables. The profit is payable quarterly and the principal is payable at the end of each morabaha transaction term.

**9. CONTINGENCIES AND COMMITMENTS**

**9.1** There has been no significant change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2006.

**9.2** Commitments in respect of outstanding letters of credit inclusive of capital commitments amount to Rs. 48.603 million (June 30, 2006: Rs. 55.847 million).

Half year ended December 31, 2006	December 31, 2005	Quarter ended December 31, 2006	December 31, 2005
----- (Rupees in '000') -----			

**10. COST OF SALES**

<b>Raw material consumed</b>	111,260	64,657	67,582	33,490
Packing material consumed	93,375	64,998	52,163	30,052
Fuel and power	661,401	446,151	327,344	224,295
Stores and spares consumed	61,386	29,070	34,527	15,346
Salaries, wages and benefits	103,890	60,973	54,123	31,758
Traveling and conveyance	8,962	4,265	4,320	1,933
Insurance	4,553	2,541	3,082	1,271
Repairs and maintenance	26,207	5,688	13,630	2,024
Communication	1,189	1,001	750	632
Fee and subscription	2,396	1,477	2,098	621
Depreciation	162,967	146,006	82,219	70,082
Other manufacturing expenses	4,677	7,063	2,476	3,462
	1,131,003	769,233	576,732	381,476
<b>Work in process</b>				
Opening	44,196	25,053	45,965	10,804
Closing	(54,326)	(19,260)	(54,326)	(19,260)
	(10,130)	5,793	(8,361)	(8,456)
<b>Cost of goods manufactured</b>	1,232,133	839,683	635,953	406,510
<b>Finished goods</b>				
Opening	16,495	21,193	27,997	9,150
Closing	(19,491)	(26,470)	(19,491)	(26,470)
	(2,996)	(5,277)	8,506	(17,320)
	1,229,137	834,406	644,459	389,190

**Pioneer Cement Limited**

Half year ended		Quarter ended	
December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005

----- (Rupees in '000') -----

**11. OTHER OPERATING INCOME**

Exchange gain	-	11,586	-	10,772
Profit on bank deposits	532	597	451	168
Reversal of unrealized loss on fair value of derivative	-	30,716	-	-
Gain on settlement of derivative	-	38,250	-	38,250
Gain on disposal of fixed assets	776	-	776	-
Others	973	554	650	294
	<u>2,281</u>	<u>81,703</u>	<u>1,877</u>	<u>49,484</u>

December 31, 2006      December 31, 2005  
(Rupees in '000')

**12. CASH FLOW FROM OPERATING ACTIVITIES**

(Loss)/profit before taxation		(166,232)	502,144
Adjustments for non cash and other items:			
Depreciation		171,515	148,464
Reversal of un realized loss on fair value of derivative		-	(30,715)
Realized gain on settlement of derivative		-	(38,250)
Provision for gratuity		8,975	7,214
Finance cost		165,729	79,426
Gain on disposal of fixed assets		(776)	(53)
Workers' Profit Participation Fund		-	24,415
Exchange loss/ (gain)		1,764	(9,308)
		<u>347,207</u>	<u>181,193</u>
<b>Cash flow before working capital changes</b>		<b>180,975</b>	<b>683,337</b>
<b>Movement in working capital</b>			
(Increase)/decrease in current assets:			
Stores, spares and loose tools		19,528	(175,557)
Stock-in-trade		(12,580)	(10,562)
Trade debts		(17,157)	1,197
Loans and advances		(3,140)	28,261
Deposits and prepayments		(4,107)	(2,368)
Other receivables		(316)	2,839
		<u>(17,772)</u>	<u>(156,190)</u>
(Decrease)/increase in current liabilities:			
Creditors against expansion project		(36,040)	(157,098)
Trade and other payables		132,566	91,865
Sales tax payable		(9,450)	(15,687)
		<u>87,076</u>	<u>(80,920)</u>
		<u>69,304</u>	<u>(237,110)</u>
<b>Cash generated from operations</b>		<b><u>250,279</u></b>	<b><u>446,227</u></b>

### 13. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associated undertakings, directors and key management personnel. Transactions with related parties during the period are as follows:

	December 31, 2006	December 31, 2005
	(Rupees in '000')	
<b>Associated companies</b>		
First Dawood Investment Bank		
Repayment of lease financing	6,786	-
Finance cost paid	4,537	10,635
BRR International Modaraba		
Repayment of lease financing	4,141	-
Finance cost paid	3,208	1,995
Guardian Modaraba		
Repayment of lease financing	4,391	-
Finance cost paid	2,765	877
DAL Teknik, Turkey		
Payment against purchase of plant and machinery	7,840	352,077
<b>Short term borrowings from employees</b>	-	20,000
<b>Provident Fund Contribution</b>	2,909	2,225
<b>Key management personnel compensation</b>	27,284	23,937

### 14. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 27, 2007 by the Board of Directors of the Company.

### 15. CORRESPONDING FIGURES

Certain prior period's figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. Material reclassification is in freight and handling charges of Rs. 19.287 million which has been reclassified from distribution cost and shown as deduction from turnover in line with the industry practice.

**16. SUBSEQUENT EVENT**

Subsequent to the half year ended December 31, 2006, the Company has entered into an agreement dated January 31, 2007 with M/s DAL Teknik, Turkey – a related party for issuance of 16 million ordinary shares of Rs. 10/- each at the rate of Rs. 15/- per share (inclusive of premium of Rs. 5/- per share) in settlement of the outstanding liability appearing in books of accounts of the Company as at January 31, 2007.

The Company is in the process of completing the legal formalities for issuance of these shares and seeking approval from the regulatory authorities.

**17. GENERAL**

Rupees have been rounded off to nearest thousands.

Javed Ali Khan  
CHIEF EXECUTIVE

Manzoor Hayat Noon  
CHAIRMAN