



**TRUSTED NOT TO COMPROMISE**  
a General Cable affiliate

**Half Yearly Accounts**  
for six months ended December 31, 2013

*Illuminating Experience*

## COMPANY INFORMATION

<b>Directors</b>	<p>Mustapha A. Chinoy (Chairman)  Haroun Rashid  Syed Naseem Ahmad  Saqib H. Shirazi  Roderick Macdonald  Ernest Kenneth Sy Cuyegkeng  Alamuddin Bullo  Ms. Sadia Khan  Kamal A. Chinoy (Chief Executive)</p>
<b>Company Secretary</b>	Aslam Sadruddin
<b>Legal Advisor</b>	S S Shaikh & Co.
<b>Bankers</b>	<p>Standard Chartered Bank (Pakistan) Ltd.  Bank Al-Habib Ltd.  Habib Bank Ltd.  HSBC Bank Middle East Ltd.  MCB Bank Ltd.  NIB Bank Ltd.</p>
<b>Registered Office, Factory and Marketing Office</b>	<p>B-21, Pakistan Cables Road,  Sindh Industrial Trading Estates,  P.O. Box 5050, Karachi-75700  Telephone Nos. 021-32561170-75  Fax: 92-21-32564614  E-mail: info@pakistancables.com  sales@pakistancables.com</p>
<b>Regional Offices</b>	<p>Lahore: 042-37355783, 37120790-91  E-mail: lahore@pakistancables.com</p> <p>Rawalpindi: 051-5125429, 5512797  E-mail: pindi@pakistancables.com</p>
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<b>Website</b>	www.pakistancables.com

## DIRECTORS' REVIEW

Sales for the half year period ended December 31, 2013 at Rs. 2.8 billion is 5% lower than sales for the same period of last year. This is mainly due to a slowdown and decline in industrial investment and deteriorating law & order situation. Gross profit of Rs. 305.9 million is 11.1% of sales against Rs. 349.8 million (12.1% of sales) in the same period of last year. Lower gross profit is mainly due to lower sales as mentioned above. Since most of our manufacturing expenses are of semi variable nature, the lower sales resulted in lower gross profit.

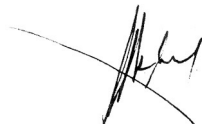
Selling and administrative expenses are Rs. 167.8 million compared to Rs. 191.0 million. The decrease is mainly due to lower expenses on account of advertising and publicity. Financial charges for the half year are Rs. 38.0 million and are 15% lower than the same period of last year.

As a result of the above factors, your company ended the half year with a profit after tax of Rs. 67.4 million compared to a profit after tax of Rs. 72.3 million in the same period of last year.

The low GDP growth, lack of investment and the deteriorating law and order situation in the country are badly affecting the economy. Furthermore, industrial activities are suffering due to the severe energy crunch. The country's foreign exchange reserves have touched it lowest level in recent times, which is putting pressure on the rupee. Even though we are carrying forward a reasonable order book, the next six months will depend on revival of the economy, increase in industrial activity & infrastructure investment, improvement in law and order situation and consistency in implementation of policies.

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the Management and Employees of the Company during the period. On behalf of the Board of Directors and Employees of the Company, we express our gratitude and appreciation to all our valued customers, distributors, dealers, bankers and all other stakeholders for the trust and confidence reposed in the Company.

On behalf of the Board of Directors



MUSTAPHA A. CHINOY  
Chairman

Karachi: January 31, 2014

## Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **Pakistan Cables Limited** ("the Company") as at 31 December 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended 31 December 2013 and 31 December 2012 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

Date: 31 January 2014

Karachi

*KPMG Taseer Hadi & Co.*

**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Mazhar Saleem**

**CONDENSED INTERIM BALANCE SHEET**  
**As At 31 December 2013**

	Note	31 December 2013 (Un-Audited) (Rupees in '000)	30 June 2013 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,386,115	1,401,668
Investments in associates		19,793	19,766
Long-term loans		2,775	3,613
Long-term deposits and prepayments		12,155	3,184
		<u>1,420,838</u>	<u>1,428,231</u>
<b>CURRENT ASSETS</b>			
Stores and spares	5	43,531	34,058
Stock-in-trade	6	1,579,260	1,011,004
Trade debts	7	670,068	878,367
Short-term loans and advances		33,137	17,821
Short-term deposits and prepayments		20,407	6,854
Other receivables	8	140,776	25,424
Advance tax - net of provisions		307,634	178,936
Cash and bank balances	9	20,967	11,371
		<u>2,815,780</u>	<u>2,163,835</u>
<b>TOTAL ASSETS</b>		<u><b>4,236,618</b></u>	<u><b>3,592,066</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		284,623	284,623
Share premium reserve		527,800	527,800
General reserves		623,000	555,500
Unappropriated profit		69,989	181,703
		<u>1,505,412</u>	<u>1,549,626</u>
Surplus on revaluation of land and buildings - net of tax		686,530	688,728
<b>NON-CURRENT LIABILITIES</b>			
Deferred liability for staff gratuity		29,298	26,871
Other long-term employee benefits		17,743	15,779
Deferred tax liability - net		83,825	105,805
		<u>130,866</u>	<u>148,455</u>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term loans		-	3,125
Trade and other payables	10	730,552	619,809
Short-term borrowings	11	1,171,557	575,790
Mark-up accrued on bank borrowings		11,701	6,533
		<u>1,913,810</u>	<u>1,205,257</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>4,236,618</b></u>	<u><b>3,592,066</b></u>

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY  
Chief Executive



HAROUN RASHID  
Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Six months period ended		Three months period ended	
Note	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(Rupees in '000)		(Rupees in '000)	
Net Sales	2,766,781	2,898,463	1,461,708	1,637,611
Cost of sales	(2,460,895)	(2,548,623)	(1,299,970)	(1,434,392)
Gross profit	305,886	349,840	161,738	203,219
Selling costs	13 (85,884)	(129,468)	(45,858)	(76,240)
Administrative expenses	14 (81,868)	(61,537)	(44,888)	(31,801)
	(167,752)	(191,005)	(90,746)	(108,041)
	138,134	158,835	70,992	95,178
Other operating expenses	(9,896)	(12,678)	(5,637)	(8,669)
Other operating income	10,473	9,251	7,054	3,081
	138,711	155,408	72,409	89,590
Finance cost	(38,048)	(44,952)	(25,997)	(26,817)
Share of profit from associates	1,324	1,858	537	661
Profit before taxation	101,987	112,314	46,949	63,434
Taxation	(34,550)	(40,000)	(16,606)	(23,300)
Profit after taxation	67,437	72,314	30,343	40,134
	(Rupees)		(Rupees)	
Earning per share - basic and diluted	15 2.37	2.54	1.07	1.41

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
KAMAL A. CHINOY  
Chief Executive

  
HAROUN RASHID  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Six months period ended		Three months period ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(Rupees in '000)		(Rupees in '000)	
Profit after tax for the period	67,437	72,314	30,343	40,134
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>67,437</u>	<u>72,314</u>	<u>30,343</u>	<u>40,134</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY  
Chief Executive



HAROUN RASHID  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Note	Six months period ended	
		31 December 2013	31 December 2012
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operating activities	16	(199,090)	(51,304)
Staff retirement benefits paid		-	(25)
Finance cost paid		(32,880)	(40,438)
Taxation		(185,228)	(83,166)
Long-term loans		838	(688)
Long-term deposits and prepayments		(8,971)	-
Net cash used in operating activities		(425,331)	(175,621)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(49,239)	(21,242)
Proceeds from disposal of fixed assets		2,234	5,620
Dividends received		1,296	1,152
Net cash used in investing activities		(45,709)	(14,470)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term loans		(3,125)	(11,875)
Increase in short-term finance		642,843	338,109
Dividends paid		(112,006)	(90,882)
Net cash flows from financing activities		527,712	235,352
Net increase in cash and cash equivalents		56,672	45,261
Cash and cash equivalents at beginning of the period		(108,536)	(113,889)
Cash and cash equivalents at end of the period	17	(51,864)	(68,628)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY  
Chief Executive



HAROUN RASHID  
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	share capital	Share premium reserve	General reserves	Unappro- priated Profit	Total
	----- (Rupees in '000) -----				
Balance as at 01 July 2012	284,623	527,800	504,000	144,420	1,460,843
Total comprehensive income for the six months period ended 31 December 2012	-	-	-	72,314	72,314
Transactions with owners recorded directly in equity - Final cash dividend for the year ended 30 June 2012	-	-	-	(92,503)	(92,503)
Transfer to general reserve for the year ended 30 June 2012	-	-	51,500	(51,500)	-
Transfer from surplus on revaluation of building during July 2012 to December 2012	-	-	-	2,152	2,152
<b>Balance as at 31 December 2012</b>	<b>284,623</b>	<b>527,800</b>	<b>555,500</b>	<b>74,883</b>	<b>1,442,806</b>
Balance as at 01 July 2013	284,623	527,800	555,500	181,703	1,549,626
Total comprehensive income for the six months period ended 31 December 2013	-	-	-	67,437	67,437
Transactions with owners recorded directly in equity - Final cash dividend for the year ended 30 June 2013	-	-	-	(113,850)	(113,850)
Transfer to general reserve for the year ended 30 June 2013	-	-	67,500	(67,500)	-
Transfer from surplus on revaluation of building during July 2013 to December 2013	-	-	-	2,199	2,199
<b>Balance as at 31 December 2013</b>	<b>284,623</b>	<b>527,800</b>	<b>623,000</b>	<b>69,989</b>	<b>1,505,412</b>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
KAMAL A. CHINOY  
Chief Executive

  
HAROUN RASHID  
Director

**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

**1. INTRODUCTION**

Pakistan Cables Limited (the Company) was incorporated in Pakistan as a private limited company on 22 April 1953 and in 1955 it was converted into a public limited company in which year it also obtained a listing on the Karachi Stock Exchange. The Company is engaged in the manufacturing of copper rods, wires, cables and conductors, aluminium extrusion profiles and PVC compounds. The registered office of the Company is situated at B-21, Pakistan Cables Road, S.I.T.E., Karachi, Pakistan.

**2. BASIS OF PRESENTATION**

These condensed interim financial statements of the Company for the six months period ended 31 December 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

These condensed interim financial statements comprise of the condensed interim balance sheet as at 31 December 2013 and condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement for the six months period ended 31 December 2013 which have been subjected to a review but not audit.

These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency and all numbers presented have been rounded off to the nearest thousand.

The comparative balance sheet presented in these condensed interim financial statements as at 30 June 2013 has been extracted from the audited financial statements of the Company for the year ended 30 June 2013, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statements for the six months period ended 31 December 2012 have been subjected to a review but not audited.

**3. ACCOUNTING POLICIES AND ESTIMATES**

**3.1 Accounting Policies**

The accounting policies and the method of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2013 except as below:

### 3.1.1 Change in accounting policy for employee benefits - defined benefit plan

Effective from 1 January 2013, the revised IAS 19 'Employee Benefits' became applicable which changed the basis for recognition of actuarial gains and losses. The revised IAS 19 requires the actuarial gains and losses to be recognized immediately in other comprehensive income. The Company previously recognized the actuarial gains and losses during the year immediately in profit or loss for the year.

The Company follows consistent practice to conduct actuarial valuation annually at the year end. Hence, the impact on these and comparative condensed interim financial statements are not quantifiable and are also considered immaterial therefore, comparative condensed interim financial statements have not been restated.

### 3.2 Estimates

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and significant judgments made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited financial statements for the year ended 30 June 2013.

## 4. PROPERTY, PLANT AND EQUIPMENT

The additions and disposals in property, plant and equipment during the period are as under:

	For the six months period ended	
	31 December 2013	31 December 2012
	(Rupees in '000)	
Additions	49,239	21,242
Disposals (cost)	(3,142)	(8,617)
	<b>As at 31 December 2013 (Un-audited)</b>	<b>As at 30 June 2013 (Audited)</b>
	(Rupees in '000)	
5. STORES AND SPARES		
Stores	2,047	1,739
Spares [including Rs. 1.495 million in transit (30 June 2013: Rs.0.626 million)]	51,796	42,515
	53,843	44,254
Provision against slow moving stores and spares	(10,312)	(10,196)
	43,531	34,058

	As at 31 December 2013 (Un-audited) (Rupees in '000)	As at 30 June 2013 (Audited)
<b>6. STOCK-IN-TRADE</b>		
Raw materials [including Rs.131.3 million in transit (30 June 2013: Rs. 179.7 million)]	802,581	431,790
Work-in-process 6.1	338,050	286,657
Finished goods 6.1	419,090	272,355
Scrap	19,539	20,202
	<u>1,579,260</u>	<u>1,011,004</u>
<b>6.1</b>		
Work-in-process and finished goods include slow moving items aggregating Rs. 11.4 million (June 2013: Rs. 12.3 million) and Rs. 21.8 million (June 2013: Rs. 15.0 million) respectively stated at their net realizable values as against their cost of Rs. 13.7 million (June 2013: Rs. 16.6 million) and Rs. 33.8 million (June 2013: Rs. 26.7 million).		
	As at 31 December 2013 (Un-audited) (Rupees in '000)	As at 30 June 2013 (Audited)
<b>7. TRADE DEBTS - unsecured</b>		
Considered good	670,068	878,367
Considered doubtful	31,115	22,961
	<u>701,183</u>	<u>901,328</u>
Provision for doubtful debts	(31,115)	(22,961)
	<u>670,068</u>	<u>878,367</u>
<b>8. OTHER RECEIVABLES</b>		
Sales tax	128,383	14,206
Claim receivable	1,977	-
Receivable from staff pension fund - a related party	10,262	11,191
Others	154	27
	<u>140,776</u>	<u>25,424</u>
<b>9. CASH AND BANK BALANCES</b>		
With banks in current accounts	20,762	11,221
Cash in hand	205	150
	<u>20,967</u>	<u>11,371</u>

		As at 31 December 2013 (Un-audited) (Rupees in '000)	As at 30 June 2013 (Audited)
<b>10. TRADE AND OTHER PAYABLES</b>			
Creditors		105,551	54,991
Accrued expenses		95,163	78,088
Advances from customers		303,731	266,427
Deposits from distributors		8,448	8,448
Payable to Staff Provident Fund		944	221
Provision for import levies		127,375	115,627
Workers' Profit Participation Fund		5,543	15,276
Workers' Welfare Fund		10,584	7,257
Tax deducted at source		9,110	2,273
Unclaimed dividend		10,341	8,499
Others		53,762	62,702
		<u>730,552</u>	<u>619,809</u>
<b>11. SHORT-TERM BORROWINGS</b>			
<b>Secured - from banking companies</b>			
Running finance under mark-up arrangements	11.1	72,831	119,907
Short term loans	11.2	1,098,726	455,883
		<u>1,171,557</u>	<u>575,790</u>

#### 11.1 Running finances under mark-up arrangements

The Company has arranged short-term running finance facilities from certain banks. The overall facility for these running finances under mark-up arrangements amounts to Rs.2,150 million (30 June 2013: Rs.2,150 million). The rate of mark-up on the running finance facilities ranges between 10.39% to 11.71% per annum net of prompt payment rebate (30 June 2013: 10.51% to 11.41%). These facilities will expire between 31 December 2013 to 31 October 2014 and are renewable.

#### 11.2 Short term loans

The amount outstanding against the term finance facility as at 31 December 2013 is earmarked out of the total running finance facilities of Rs. 1,629 million (30 June 2013: Rs. 1,726 million) obtained from these banks. Mark-up on term finance is agreed at each disbursement and as at 31 December 2013 ranges from 10.37% per annum to 10.64 % per annum. These are payable latest by 27 January 2014.

#### 11.3 Other facilities

The facility for opening letter of credit and guarantees as at 31 December 2013 amounted to Rs. 2,646 million (30 June 2013: Rs.2,799 million) of which the amount remaining unutilized as at that date was Rs. 2,453 million (30 June 2013: Rs.2,515 million).

#### 11.4 Securities

The above arrangements are secured by way of joint hypothecation over stocks, stores and spares an present and future trade debts of the Company.

**12. CONTINGENCIES AND COMMITMENTS****12.1 Contingencies**

- a) The Company has issued to the Collector of Customs post-dated cheques amounting to Rs. 4.78 million (30 June 2013: Rs.5.127 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs.183.531 million (30 June 2013: Rs.281.124 million) have been given to various parties for contract performance, tender deposits, import levies etc.
- c) The Company received a show cause notice from the Collectorate (Large Taxpayers Unit, Karachi) in connection with the sales tax returns of the Company for the years 2008-9, 2009-10 and 2010-11 amounting to Rs. 251 million. The Company had submitted its response to the show cause notice through its authorised representative. Subsequently, the Company received an order from the department in this connection demanding Rs. 13.8 million as default surcharge on above amount. The management in consultation with its tax advisor is of the view that the department's notice is based on interpretation of the sales tax law which is against the spirit of the law. Further, tax advisor of the Company is of the view that there will be no adverse impact on the Company. However, the Company has filed an appeal against the above order through its tax advisor.

**12.2 Commitments**

- a) Aggregate commitments for capital expenditure at 31 December 2013 amounted to approximately Rs. 16.693 million (30 June 2013: Rs. 8.568 million).
- b) Commitments under letter of credit for the import of raw material, etc., (non capital expenditure) at 31 December 2013 amounted to Rs. 9.918 million (30 June 2013: Rs. 3.090 million).

	Six months period ended	
	31 December 2013	31 December 2012
	(Rupees in '000)	
<b>13. SELLING COST</b>		
Salaries, wages and benefits	27,328	31,780
Rent, rates and taxes	1,067	1,158
Commission	751	544
Repairs and maintenance	191	288
Communication and stationary	1,144	1,159
Training, travelling and entertainment	4,605	3,341
Advertising and publicity	8,776	46,951
Carriage and forwarding expense	36,565	40,957
Depreciation	1,932	1,510
Insurance	573	367
Other expenses	2,952	1,413
	<u>85,884</u>	<u>129,468</u>

**14. ADMINISTRATIVE EXPENSES**

Salaries, wages and benefits	51,114	47,563
Office rent	2,840	-
Repairs and maintenance	1,238	950
Donations	1,250	150
Legal and professional	3,659	1,569
Auditors remuneration	644	549
Communication and stationary	3,129	2,858
Provision for doubtful debts	8,154	-
Training, travelling and entertainment	2,054	2,619
Depreciation	3,014	2,914
Insurance	902	574
Other expenses	3,870	1,791
	<u>81,868</u>	<u>61,537</u>

## 15. EARNING PER SHARE - Basic and diluted

	Six months period ended		Three months period ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(Unaudited) (Rupees in '000)		(Unaudited) (Rupees in '000)	
Profit after taxation	<u>67,437</u>	<u>72,314</u>	<u>30,343</u>	<u>40,134</u>
	(Number of shares)		(Number of shares)	
Weighted average number of ordinary shares issued and subscribed at the end of the period	<u>28,462,376</u>	<u>28,462,376</u>	<u>28,462,376</u>	<u>28,462,376</u>
	(Rupees)		(Rupees)	
Earning per share - basic and diluted	<u>2.37</u>	<u>2.54</u>	<u>1.07</u>	<u>1.41</u>

## 16. CASH USED IN OPERATING ACTIVITIES

	Six months period ended	
	31 December 2013	31 December 2012
	(Rupees in '000)	
Profit before taxation	101,987	112,314
Adjustments for:		
Depreciation	64,314	62,421
Provision for staff gratuity	2,427	2,625
Other long-term employee benefits	1,964	348
Gain on disposal of fixed assets	(1,756)	(5,419)
Income from investment in associates accounted for under the equity method of accounting	(1,324)	(1,858)
Finance cost	38,048	44,952
Working capital changes:		
(Increase) / decrease in current assets		
Stores and spares	(9,473)	(7,809)
Stock-in-trade	(568,256)	(205,333)
Trade debts	208,299	(97,594)
Short-term loans and advances	(15,316)	(433)
Deposits and short term prepayments	(13,553)	(195)
Other receivables	(115,352)	(1,774)
	(513,651)	(313,138)
Increase in trade and other payables	108,901	46,451
	(404,750)	(266,687)
	<u>(199,090)</u>	<u>(51,304)</u>

	As at 31 December 2013	As at 31 December 2012
<b>17. CASH AND CASH EQUIVALENTS</b>	<b>(Rupees in '000)</b>	
Cash and bank balances	20,967	4,559
Running finance under mark-up arrangements	(72,831)	(73,187)
	<u>(51,864)</u>	<u>(68,628)</u>

**18. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of associated companies, staff retirement plans, directors and key management personnel. Transactions with related parties are as follows:

	<b>Six months period ended</b>	
	<b>31 December 2013</b>	<b>31 December 2012</b>
<b>Transactions with related parties:</b>	<b>(Rupees in '000)</b>	
<b><i>Associated undertaking</i></b>		
Sale of goods	276,419	268,774
Discount	10,747	9,760
Purchase of goods, services and materials	20,508	19,762
Commission earned	-	2
Insurance premium expense	-	3,568
Insurance claim received	-	11,346
Interest received	866	629
Dividend received	1,296	1,152
Liquidated damages for late deliveries	-	48
Directors' fee	475	425
Share of profit of associated company under the equity basis of accounting	1,324	1,858
<b><i>Other related parties</i></b>		
Remuneration to key management personnel	18.1 41,061	40,499
Net charge in respect of staff retirement benefit plans	18.2 4,893	4,921



	As at 31 December 2013 (Un-audited)	As at 30 June 2013 (Audited)
(Rupees in '000)		
<b>Balances with related parties:</b>		
<i>Associated undertakings</i>		
Trade debts (unsecured, considered good)	<u>94,485</u>	<u>79,365</u>
<i>Other related parties</i>		
Retirement benefit plans - receivable / (payable)	<u>9,319</u>	<u>5,072</u>

- 18.1 Remuneration to key management personnel are in accordance with terms of their employment.
- 18.2 Contributions to the defined contribution plan (provident fund) are made as per the terms of employment, whereas the charge for pension scheme is made as per the actuarial advice.
- 18.3 Other transactions are at agreed terms.

#### 19. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statements as at and for the year ended 30 June 2013.

#### 20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial Statements were authorised for issue by the Board of Directors of the Company in their meeting held on 31 January 2014.



KAMAL A. CHINOY  
Chief Executive



HAROUN RASHID  
Director



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