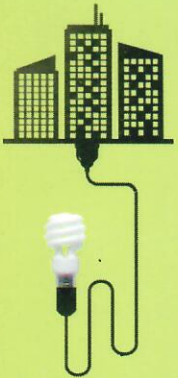




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POWERING THE COUNTRY

Half Yearly Accounts
for six months ended
December 31, 2014

COMPANY INFORMATION

Directors Mustapha A. Chinoy (Chairman)
Syed Naseem Ahmad
Peter Campbell
Sadia Khan
Roderick Macdonald
Raeesuddin Paracha
Haroun Rashid
Saqib H. Shirazi
Kamal A. Chinoy (Chief Executive)

Company Secretary Sana Shah

Legal Advisor Barrister M. Jamshid Malik

Bankers Standard Chartered Bank (Pakistan) Ltd.
Bank Al-Habib Ltd.
Habib Bank Ltd.
Meezan Bank Ltd.
MCB Bank Ltd.
NIB Bank Ltd.

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DIRECTORS' REVIEW

Sales for the half year period ended December 31, 2014 at Rs. 3.5 billion is 26% higher than sales for the same period of last year. Strong sales performance was witnessed in all the segments of wire & cable business, particularly Trade and Project segments. Gross profit of Rs. 422.1 million is 12.1% of sales against Rs. 305.9 million (11.1% of sales) in the same period of last year. The higher gross profit is attributed mainly due to a favourable sales mix and lower material costs.

Selling and administrative expenses are Rs. 210.7 million compared to Rs. 167.8 million. The increase is mainly due to higher expenses on account of advertising & publicity and carriage & forwarding expenses. Financial charges for the half year are Rs. 74.4 million compared to Rs. 38.0 million in the same period of last year. The increase in finance cost is a result of increased working capital requirements due to higher sales.

As a result of the above factors, your company ended the half year with a profit after tax of Rs. 87.2 million compared to a profit after tax of Rs. 67.4 million in the same period of last year. Earning per share has increased to Rs. 3.06 compared to Rs. 2.37 in the same period of last year.

Pakistan's key economic indicators have begun to show signs of revival. Improved foreign exchange reserves, reduction in interest rates, stability in exchange rate and better inflows including home remittances are leading to improved outlook. The recent drop in oil price in the international market is also likely to support external account of the country significantly. However, security conditions, political uncertainty, energy shortages, and low tax to GDP ratio are some of the areas which need to be addressed. Management of your company will make all efforts to meet the ongoing challenges going forward and to improve productivity and maintain operational excellence.

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



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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pakistan Cables Limited** ("the Company") as at 31 December 2014, 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 statements 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.

Other Matter

The figures for the quarter ended 31 December 2014 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: 19 January 2015

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Pirani

CONDENSED INTERIM BALANCE SHEET
As At 31 December 2014

	<i>Note</i>	(Un-Audited) 31 December 2014 (Rupees in '000)	(Audited) 30 June 2014
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,584,716	1,562,137
Investment in associate		20,385	19,819
Long-term loans		1,945	2,848
Long-term deposits and prepayments		4,814	6,779
Total non current assets		1,611,860	1,591,583
CURRENT ASSETS			
Stores and spares		51,277	52,281
Stock-in-trade	5	1,587,340	1,324,291
Trade debts	6	1,162,756	1,028,387
Short-term loans and advances		25,957	31,334
Short-term deposits and prepayments		19,827	21,459
Other receivables	7	71,267	26,564
Advance tax - net of provisions		210,197	257,272
Cash and bank balances	8	15,000	31,078
Total current assets		3,143,621	2,772,666
TOTAL ASSETS		4,755,481	4,364,249
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		284,623	284,623
Share premium reserve		527,800	527,800
General reserves		708,000	623,000
Unappropriated profit		90,093	213,258
		1,610,516	1,648,681
Surplus on revaluation of land and buildings - net of tax		810,702	813,534
NON-CURRENT LIABILITIES			
Deferred liability for staff gratuity		26,568	25,217
Other long-term employee benefits		22,705	19,852
Deferred tax liability - net	9	72,271	92,557
Total non current liabilities		121,544	137,626
CURRENT LIABILITIES			
Trade and other payables	10	837,927	853,359
Short-term borrowings	11	1,359,119	903,190
Mark-up accrued on bank borrowings		15,673	7,859
Total current liabilities		2,212,719	1,764,408
TOTAL EQUITY AND LIABILITIES		4,755,481	4,364,249

CONTINGENCIES AND COMMITMENTS

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2014

Note	Six months period ended		Three months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(Rupees in '000)		(Rupees in '000)	
Net Sales	3,480,938	2,766,781	1,885,351	1,461,708
Cost of sales	(3,058,795)	(2,460,895)	(1,672,285)	(1,299,970)
Gross profit	422,143	305,886	213,066	161,738
Selling costs	13 (125,735)	(85,884)	(68,040)	(45,858)
Administrative expenses	14 (84,981)	(81,868)	(43,617)	(44,888)
	(210,716)	(167,752)	(111,657)	(90,746)
	211,427	138,134	101,409	70,992
Other expenses	15 (16,354)	(9,896)	(3,632)	(5,637)
Other income	8,002	10,473	3,729	7,054
	203,075	138,711	101,506	72,409
Finance cost	(74,405)	(38,048)	(42,979)	(25,997)
Share of profit from associate	1,829	1,324	697	537
Profit before taxation	130,499	101,987	59,224	46,949
Taxation	(43,304)	(34,550)	(20,250)	(16,606)
Profit for the period	87,195	67,437	38,974	30,343
	(Rupees)		(Rupees)	
Earnings per share - Basic and diluted	16 3.06	2.37	1.37	1.07

The annexed notes from 1 to 21 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 2014

	Six months period ended		Three months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(Rupees in '000)		(Rupees in '000)	
Profit after tax for the period	87,195	67,437	38,974	30,343
<i>Items that will not be reclassified to profit or loss</i>				
Share of other comprehensive income from an associated company (actuarial loss of employee defined benefit)	(111)	-	-	-
Total comprehensive income for the period	<u>87,084</u>	<u>67,437</u>	<u>38,974</u>	<u>30,343</u>

The annexed notes from 1 to 21 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 2014**

	<i>Note</i>	Six months period ended	
		31 December 2014	31 December 2013
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	17	(173,768)	(199,090)
Staff retirement benefits paid		(1,099)	-
Finance cost paid		(66,591)	(32,880)
Taxation-net		(16,515)	(185,228)
Long-term loans		903	838
Long-term deposits and prepayments		1,965	(8,971)
Net cash used in operating activities		(255,105)	(425,331)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(93,808)	(49,239)
Proceeds from disposal of fixed assets		1,876	2,234
Dividends received		1,152	1,296
Net cash used in investing activities		(90,780)	(45,709)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		-	(3,125)
Net increase in short-term finance		414,788	642,843
Dividend paid		(126,122)	(112,006)
Net cash flows generated from financing activities		288,666	527,712
Net (decrease) / increase in cash and cash equivalents		(57,219)	56,672
Cash and cash equivalents at beginning of the period		(39,639)	(108,536)
Cash and cash equivalents at end of the period	18	(96,858)	(51,864)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOI
Chief Executive



HAROUN RASHID
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2014

	Share capital	Share premium reserve	General reserves	Unappro- priated Profit	Total
	(Rupees in '000)				
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 - profit for the period	-	-	-	67,437	67,437
Transfer to general reserve for the year ended 30 June 2013	-	-	67,500	(67,500)	-
Transferred from surplus on revaluation of buildings during July 2013 to December 2013 - incremental depreciation	-	-	-	2,199	2,199
Transactions with owners recorded directly in equity					
Final cash dividend for the year ended 30 June 2013 @ Rs.4.00 per share	-	-	-	(113,850)	(113,850)
Balance as at 31 December 2013	<u>284,623</u>	<u>527,800</u>	<u>623,000</u>	<u>69,989</u>	<u>1,505,412</u>
Balance as at 01 July 2014	284,623	527,800	623,000	213,258	1,648,681
Total comprehensive income for the six months period ended 31 December 2014	-	-	-	87,195	87,195
- Profit for the period	-	-	-	(111)	(111)
- Other comprehensive income	-	-	-	87,084	87,084
Transfer to general reserve for the year ended 30 June 2014	-	-	85,000	(85,000)	-
Transferred from surplus on revaluation of buildings during July 2014 to December 2014 - incremental depreciation	-	-	-	2,832	2,832
Transactions with owners recorded directly in equity					
Final cash dividend for the year ended 30 June 2014 @ Rs.4.50 per share	-	-	-	(128,081)	(128,081)
Balance as at 31 December 2014	<u>284,623</u>	<u>527,800</u>	<u>708,000</u>	<u>90,093</u>	<u>1,610,516</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2014

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 got listed 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 2014 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 balance sheet as at 31 December 2014 and profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the six months period ended 31 December 2014 which have been subjected to a review but not audited.

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 2014 has been extracted from the audited financial statements of the Company for the year ended 30 June 2014, 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 2013 have been extracted from the reviewed financial information for the period then ended.

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 Accounting Policies

The accounting policies 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 2014.

3.2 Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates

4. PROPERTY, PLANT AND EQUIPMENT

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

	Six months period ended	
	31 December 2014	31 December 2013
	(Rupees in '000)	
Additions		
Plant and machinery	24,737	26,817
Office equipment and appliances	6,952	1,777
Vehicles	3,839	2,442
Capital work in progress	56,458	17,286
Others	1,822	917
	<u>93,808</u>	<u>49,239</u>
Disposals (cost)	<u>(2,741)</u>	<u>(3,142)</u>

(Unaudited)	(Audited)
As at	As at
31 December	30 June
2014	2014

5. STOCK-IN-TRADE

(Rupees in '000)

Raw materials [including Rs.117.6 million in transit (30 June 2014: Rs. 269.0 million)]

Work-in-process

Finished goods

Scrap

	736,702	634,010
5.1	361,990	251,211
5.1	442,714	415,877
	45,934	23,193
	<u>1,587,340</u>	<u>1,324,291</u>

- 5.1 Work-in-process and finished goods include slow moving items aggregating Rs. 11.3 million (June 2014: Rs. 9.9 million) and Rs.13.6 million (June 2014: Rs. 17.2 million) respectively stated at their net realizable values as against their cost of Rs.14.7 million (June 2014: Rs. 12.9 million) and Rs. 24.3 million (June 2014: Rs. 28.3 million) respectively. In addition provision amounting Rs. 13.04 million (June 2014: Rs. 10.47 million) is held against the raw materials.

6. TRADE DEBTS

Considered good	1,162,756	1,028,387
Considered doubtful	39,575	38,315
	<u>1,202,331</u>	<u>1,066,702</u>
Provision for doubtful debts	(39,575)	(38,315)
	<u>1,162,756</u>	<u>1,028,387</u>

7. OTHER RECEIVABLES

Sales tax	70,833	18,868
Insurance claim receivable	-	7,432
Others	434	264

	(Unaudited) As at 31 December 2014	(Audited) As at 30 June 2014
(Rupees in '000)		
8. CASH AND BANK BALANCES		
With banks in current accounts	14,773	30,977
Cash in hand	227	101
	<u>15,000</u>	<u>31,078</u>
9. DEFERRED TAX LIABILITY - net		
Taxable temporary differences		
Accelerated tax depreciation	103,165	113,930
Surplus on revaluation of buildings	76,307	77,832
	<u>179,472</u>	<u>191,762</u>
Deductible temporary differences		
Provision for staff retirement and other benefits	(9,299)	(8,826)
Provision for doubtful debts	(13,124)	(13,410)
Provision for slow-moving stores and spares	(4,733)	(4,226)
Provision for import levies and other provisions	(80,045)	(72,743)
	<u>(107,201)</u>	<u>(99,205)</u>
	<u>72,271</u>	<u>92,557</u>
10. TRADE AND OTHER PAYABLES		
Creditors	198,642	273,729
Accrued expenses	121,154	93,271
Salaries and wages	5,902	10,514
Advances from customers	226,925	203,305
Deposits from distributors	8,448	8,448
Payable to staff provident fund - a related party	1,760	1,490
Provision for import levies	151,505	138,012
Payable to staff pension fund - a related party	19,065	16,401
Workers' profit participation fund	7,220	21,616
Workers' welfare fund	14,422	10,549
Tax deducted at source	1,491	2,479
Unclaimed dividend	12,101	10,141
Others	69,292	63,404
	<u>837,927</u>	<u>853,359</u>
11. SHORT-TERM BORROWINGS		
From banking companies - Secured		
Running finance under mark-up arrangements	11.1 111,858	70,717
Short term finance	11.2 970,147	832,473
Foreign currency import finance	11.3 277,114	-
	<u>1,359,119</u>	<u>903,190</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 2014: Rs.2,150 million). The rate of mark-up on these running finance facilities ranges between 10.15% to

11.2 Short term finance

The amount outstanding against the term finance facility as at December 31, 2014 available from banks was Rs. 970.1 million (30 June 2014: Rs. 832.5 million) earmarked out of the total running finance facilities of Rs. 1,790 million (30 June 2014: Rs.1,528 million) obtained from these banks. Mark-up on term finance is agreed at each disbursement and as at 31 December 2014 ranged between 9.83% per annum to 10.41% per annum (30 June 2014: 10.41% per annum to 10.59% per annum). These are payable latest by 18 February 2015.

11.3 Foreign currency import finance

The amount outstanding against the foreign currency import finance facility as at December 31, 2014 available from various banks was Rs.277.1 million (30 June 2014 : Rs. Nil) earmarked out of the total running finance facilities of Rs. 1,464 million (30 June 2014: Rs. Nil) obtained from these banks. These balances carry mark-up ranging from 2.77% per annum to 3.50% per annum (30 June 2014: Nil).

11.4 Other facilities

The facility for opening letters of credit and guarantees as at December 31, 2014 amounted to Rs. 2,666 million (30 June 2014: Rs. 2,748 million) of which the amount remaining unutilized as at that date was Rs. 2,368 million (30 June 2014: Rs.2,522 million).

11.5 Securities

The above arrangements are secured by way of joint hypothecation over stocks, stores and spares and 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. 6.015 million (30 June 2014: Rs. 5.483 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs. 256.793 million (30 June 2014: Rs. 198.403 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 Large Taxpayers Unit, Karachi demanding an amount of Rs. 251 million pertaining to the sales tax returns of the Company for the years 2008-9, 2009-10 and 2010-11. 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 which is against the spirit of the law. The Company filed an appeal against the above order with Commissioner (Appeals) which also upheld the order previously passed by the department. However, the tax advisor of the Company is of the view that there will be no adverse impact on the Company. The Company has filed an appeal against Commissioner (Appeals) order at appellate tribunal.

12.2 Commitments

- a) Aggregate commitments for capital expenditure as at 31 December 2014 amounted to approximately Rs. 36.826 million (30 June 2014: Rs. 27.996 million).
- b) Commitments under letter of credit for the import of raw material, etc., (non capital expenditure) as at 31 December 2014 amounted to Rs. 32.8 million (30 June 2014: Rs. 26.032 million).

13. SELLING COST

	Six months period ended	
	31 December 2014	31 December 2013
	(Rupees in '000)	
Salaries, wages and benefits	35,022	27,328
Rent, rates and taxes	4,609	1,067
Commission	1,079	751
Repairs and maintenance	654	191
Communication and stationary	1,065	1,144
Training, travelling and entertainment	5,587	4,605
Advertising and publicity	20,136	8,776
Carriage and forwarding expense	50,187	36,565
Depreciation	3,140	1,932
Subscription	565	507
Insurance	657	573
Other expenses	3,034	2,445
	<u>125,735</u>	<u>85,884</u>

14. ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	57,984	51,114
Office rent	2,840	2,840
Repairs and maintenance	1,115	1,238
Donations	1,750	1,250
Legal and professional	2,943	3,659
Auditors' remuneration	654	644
Communication and stationary	3,855	3,129
Provision for doubtful debts / write off	144	8,154
Training, travelling and entertainment	2,885	2,054
Depreciation	5,370	3,014
Insurance	807	902
Other expenses	4,634	3,870
	<u>84,981</u>	<u>81,868</u>

15. OTHER OPERATING EXPENSES

Liquidated damages for late deliveries	2,205	1,255
Workers' profits participation fund	7,072	5,543
Workers' welfare fund	3,873	3,327
Exchange loss / (gain)	3,204	(229)
	<u>16,354</u>	<u>9,896</u>

16. EARNING PER SHARE - Basic and diluted

	Six months period ended		Three months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)
Profit after taxation	<u>87,195</u>	<u>67,437</u>	<u>38,974</u>	<u>30,343</u>
	(Number of shares)	(Number of shares)	(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)	(Rupees)	(Rupees)
Earning per share - basic and diluted	<u>3.06</u>	<u>2.37</u>	<u>1.37</u>	<u>1.07</u>

17. CASH USED IN OPERATING ACTIVITIES

	Six months period ended	
	31 December 2014	31 December 2013
	(Rupees in '000)	(Rupees in '000)
Profit before taxation	130,499	101,987
<i>Adjustments for:</i>		
Depreciation	70,010	64,314
Provision for staff gratuity	2,450	2,427
Other long-term employee benefits	2,853	1,964
Gain on disposal of fixed assets	(656)	(1,756)
Income from investment in associate accounted for under the equity method of accounting	(1,829)	(1,324)
Finance cost	74,405	38,048
Working capital changes: (Increase) / decrease in current assets		
Stores and spares	1,004	(9,473)
Stock-in-trade	(263,049)	(568,256)
Trade debts	(134,369)	208,299
Short-term loans and advances	5,377	(15,316)
Short term deposits and short term prepayments	1,632	(13,553)
Other receivables	(44,703)	(115,352)
	(434,108)	(513,651)
(Decrease) / Increase in trade and other payables	(17,392)	108,901
	(451,500)	(404,750)
	<u>(173,768)</u>	<u>(199,090)</u>

	As at 31 December 2014	As at 31 December 2013
18. CASH AND CASH EQUIVALENTS	(Rupees in '000)	
Cash and bank balances	15,000	20,967
Running finance under mark-up arrangements	(111,858)	(72,831)
	<u>(96,858)</u>	<u>(51,864)</u>

19. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, staff retirement funds, directors and key management personnel.

Transactions with related parties are as follows:

	Six months period ended	
	31 December 2014	31 December 2013
Transactions with related parties:	(Rupees in '000)	
<i>Associated undertaking</i>		
Sale of goods	328,709	276,419
Discount	-	10,747
Purchase of goods, services and materials	44,895	20,508
Insurance premium expense	484	-
Insurance claim received	1,043	-
Interest received	858	866
Dividend received	1,152	1,296
Directors' fee	790	475
Share of total comprehensive income of an associated company under the equity basis of accounting	1,718	1,324

Other related parties

Remuneration to key management personnel	19.1	46,516	41,061
Net charge in respect of staff retirement benefit plans	19.2	6,988	4,893

	As at 31 December 2014	As at 30 June 2014
Balances with related parties:	(Unaudited)	(Audited)

Associated undertakings **(Rupees in '000)**

Trade debts	179,529	135,509
Creditors	974	

Other related parties

- 19.1** Remuneration to key management personnel are in accordance with terms of their employment.
- 19.2** 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.
- 19.3** Other transactions are at agreed terms.

20. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statement as at and for the year ended 30 June 2014.

21. 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 19 January 2015.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director

**Factory**

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