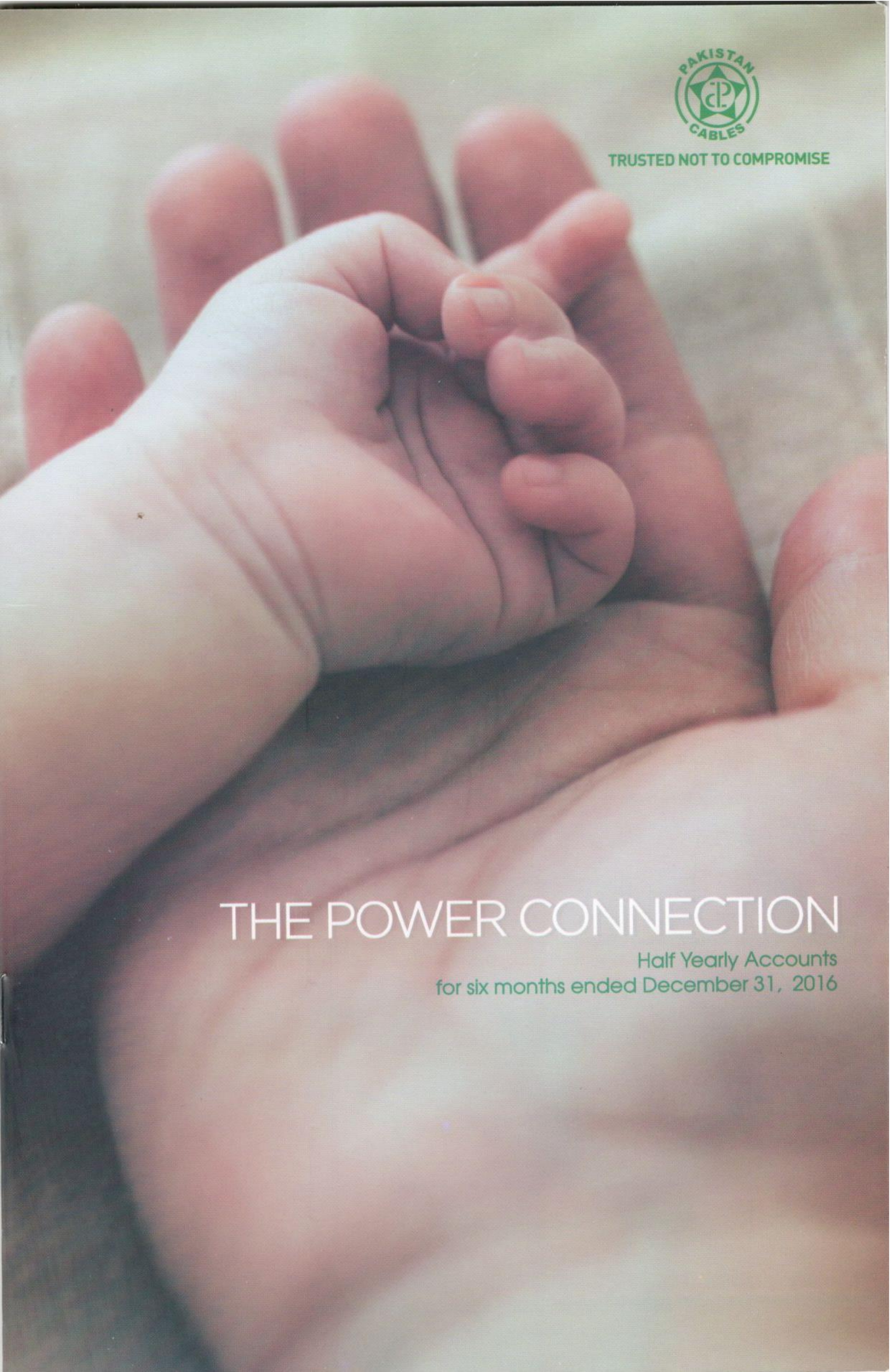

PAKISTAN CABLES

TRUSTED NOT TO COMPROMISE

THE POWER CONNECTION

Half Yearly Accounts
for six months ended December 31, 2016

Per Pro Pakistan Cables Limited

Director Director

COMPANY INFORMATION

Directors	Mustapha A. Chinoy	(Chairman)
	Syed Naseem Ahmad	
	Sadia Khan	
	Roderick Macdonald	
	Haroun Rashid	
	Shoaib Mir	
	Saquib H. Shirazi	
	Kamal A. Chinoy	(Chief Executive)
	Muhammad Ashfaq Alam	

Company Secretary — Nazifa A. Khan

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.
Industrial & Commercial Bank of China (ICBC)

Registered Office and Factory

B-21, Pakistan Cables Road,
Sindh Industrial Trading Estates,
P.O. Box 5050, Karachi-75700
Tele: 021-32561170-75
Fax: 92-21-32564614
E-mail: info@pakistancables.com

Head Office

Arif Habib Center, 1st Floor,
23 M.T. Khan Road, Karachi.
UAN: 111-CABLES (222 - 537)
Fax: 92-21-32462111
E-mail: sales@pakistancables.com

Regional Offices

Lahore: 042-35785611-4
E-mail: lahore@pakistancables.com

Rawalpindi: 051-5732724-25
E-mail: pindi@pakistancables.com

Branch Offices

Multan: 061-4583332
E-mail: multan@pakistancables.com

Abbottabad: 0992-383616
E-mail: abbottabad@pakistancables.com

Peshawar: 091-5845068
E-mail: peshawar@pakistancables.com

Muzaffarabad: 05822-432088
E-mail: muzaffarabad@pakistancables.com

Website — www.pakistancables.com

DIRECTORS' REVIEW

Sales revenue for the half year period ended December 31, 2016 stood at Rs. 4.1 billion registering a growth of 25% compared to same period of last year. Gross profit of Rs. 599.1 million is 14.7% of sales against Rs. 459.2 million (14.1% of sales) in the same period of last year. The higher gross profit is attributed mainly due to favorable sales mix and volume growth.

Selling and administrative expenses are Rs. 314.6 million compared to Rs. 291.0 million. The increase is mainly due to higher expenses on account of advertising and publicity. Financial charges for the half year are Rs. 33.0 million compared to Rs. 47.9 million in the same period of last year. Last year's finance cost included an exchange loss of Rs. 14 million incurred on borrowings in US dollars as a result of depreciation of rupee against the dollar.

As a result of the above factors, your company ended the half year with a profit after tax of Rs. 179.4 million compared to a profit after tax of Rs. 86.0 million in the same period of last year.

Economic growth is showing signs of sustained recovery aided by stable foreign exchange reserves, lower interest rates, low inflation and industrial growth accelerating on the back of higher activity in construction industry. However, energy and security challenges continue to weigh on country's business climate. Moreover, with increased activity in the power sector and around CPEC, it appears that a large quantity of Chinese cable is now being imported in to Pakistan with tax and duty exemptions, either being applied to power generation projects, or to projects falling under the CPEC umbrella. The same benefits are not being allowed to supplies from the local industry. This is a matter of concern and your Company is reviewing the matter with trade and industry associations to determine the best way forward. The price of copper has surged by almost 20% since June 2016 resulting in high cost of input material. However, in view of a reasonable order book, your company hopes to maintain growth in profitability through increased sales, cost controls and improved efficiencies thereby improving returns to the stakeholders.

The Company has received intimation from two existing shareholders that they intend to buy the entire 24.6% shareholding owned by G.K. Technologies Inc. ("GKTI"). An announcement was accordingly made by the Company to the Pakistan Stock Exchange. The Board would like to mention that while the Company and GKTI have enjoyed a very cordial and mutually beneficial relationship over the years, however this exit by GKTI, which is predicated on their worldwide strategy, is not expected to have any negative impact on the operations or financial results of the Company.

We are pleased to inform the shareholders that during the current year we received the FPCCI Export Award for the year 2015-16 for non-traditional products. The award was presented by the Prime Minister of Pakistan.

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, 2017

ڈائریکٹرز کا جائزہ

31 دسمبر 2016 کو ختم ہونے والی ششماہی کے لئے سیلز کی آمدنی 4.1 بلین روپے رہی اس طرح پچھلے سال کی اسی مدت کے مقابلے میں 25 فیصد اضافہ ریکارڈ کیا گیا۔ 599.1 ملین روپے کا مجموعی منافع سیلز کا 14.7 فیصد ہے جب کہ پچھلے سال کی اسی مدت میں 459.2 ملین روپے (14.1 فیصد) تھا۔ موافقانہ سیلز اور حجم میں اضافہ کی وجہ سے بلند تر مجموعی نفع حاصل ہوا ہے۔

سیلنگ اور انتظامی اخراجات 291.0 ملین روپے کے مقابلے میں 314.6 ملین روپے ہیں۔ اخراجات میں بہت زیادہ اضافے کا سبب اشتہار اور تشہیر کی مد میں کثیر اخراجات ہیں۔ ششماہی کے لئے مالیاتی چارجز 33.0 ملین روپے ہیں جب کہ پچھلے سال اسی مدت میں 47.9 ملین روپے تھے۔ پچھلے سال امریکی ڈالرز میں قرضہ جات پر شرح تبادلہ کی مد میں ڈالر کے خلاف روپے کی کمی کے نتیجے میں 14 ملین روپے کا نقصان پیش آیا۔

مذکورہ بالا عوامل کے نتیجے میں آپ کی کمپنی ختم ہونے والی ششماہی میں ٹیکس کے بعد 179.4 ملین روپے نفع حاصل ہوا جو پچھلے سال کی اسی مدت میں 86.0 ملین روپے تھا۔

معاشی ترقی میں زرِ مبادلہ کے مستحکم ذخائر، کم تر شرح سود، افراط زر میں کمی اور تیزی سے بڑھتی ہوئی صنعتی ترقی سے معیشت کی بحالی میں مدد حاصل کرنے کے علامات دکھائی دے رہیں ہیں مگر ملک کے کاروباری حالات کو مسلسل توانائی اور سیکیوریٹی کے چیلنجز درپیش ہیں۔ مزید یہ کہ پاور کے شعبے اور اور CPEC کی سرگرمیوں کے اضافے سے یہ ظاہر ہوتا ہے کہ پاکستان میں ٹیکس اور ڈیوٹی سے مستثنیٰ چائنا کے کیبلز کی کثیر تعداد امپورٹ کی گئی ہے۔ خواہ اسے پاور جنریشن پروجیکٹس یا ایسے پروجیکٹ جو CPEC کے تحت ہوں میں استعمال کی جائے گی۔ مقامی صنعت سے سپلائی کے لئے ان فوائد کی اجازت نہیں ہوگی، یہ ایک تشویشی مسئلہ ہے اور آپ کی کمپنی ٹریڈ اور انڈسٹری ایسوی ایشنز کے ساتھ اس مسئلے کا جائزہ لے رہی ہے تاکہ آگے کے لئے بہترین راستے کا تعین کیا جائے۔ جولائی 2016 سے کاپر (تانبہ) کی قیمت میں 20 فیصد اضافہ ہوا جس کے نتیجے میں ان پٹ میٹریل کی قیمت میں اضافہ ہو، چنانچہ مناسب آرڈر بک کے جائزے سے آپ کی کمپنی کو امید ہے کہ سیلز میں اضافہ، اخراجات کو کنٹرول کرنے اور کارکردگی کی اصلاح کرنے سے منافع میں اضافہ برقرار رکھا جائے گا جس سے اسٹیک ہولڈرز کے لئے ریٹرنز (معاوضہ) میں اضافہ ہوگا۔

کمپنی کو دو موجودہ شیئر ہولڈرز سے اطلاع موصول ہوئی ہے کہ (GKTI) جی کے ٹیکنالوجیز انکارپوریٹ کے تمام 24.6 فیصد شیئر خریدنے کے خواہشمند ہیں۔اس بابت اسٹاک ایکسچینج کو باضابطہ طور پر مطلع کردیا گیا ہے۔ بورڈ یہاں بتانا چاہتا ہے کہ GKTI اور کمپنی کے سال ہا سال کے خوشگوار روابط رہے ہیں اور GKTI کے اس فیصلے کا، جو کہ ان کے عالمگیر حکمتِ عملی کا حصہ ہوگا، کمپنی کے آپریشنز یا مالیاتی نتائج پر اثر انداز ہونے کا کوئی خدشہ نہیں۔

ہم شیئر ہولڈر کو بتاتے ہوئے مسرت محسوس کرتے ہیں کہ موجودہ سال کے دوران ہم نے غیر تجارتی مصنوعات کے لئے سال 16-2015 کا FPCCI ایکسپورٹ ایوارڈ حاصل کیا۔ایوارڈ وزیر اعظم پاکستان کی جانب سے پیش کیا گیا تھا۔

ڈائریکٹرز اس مدت کے دوران کمپنی کی انتظامیہ اور ملازمین کی جانب سے سخت محنت کے لئے اپنی مخلصانہ تعریف ریکارڈ پر لانا پسند کریں گے۔ بورڈ آف ڈائریکٹرز اور کمپنی کی ملازمین کے توسط سے ہم اپنے تمام معزز کسٹمرز، ڈسٹری بیوٹرز، ڈیلرز، بینکرز اور دیگر تمام اسٹیک ہولڈرز کو کمپنی پر بھروسہ اور اعتماد کرنے کے لئے شکریہ ادا کرتے ہیں اور سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کے توسط سے

مصطفیٰ اے، چنائے

چیئرمین

کراچی 31 جنوری 2017

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 2016, 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.

Other matter

The figures of the quarter ended 31 December 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi &Co.

Date: 31 January 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Six months period ended		Three months period ended	
	31 December 2016	31 December 2015	**31 December 2016**	31 December 2015
	(Rupees in '000)		(Rupees in '000)	
Profit after tax for the period	**179,429**	86,024	**99,848**	45,855
Other Comprehensive income:				
Items that will not be reclassified to profit and loss account				
Share of other comprehensive income from the associated company (remeasurement of post employment benefits obligations of associated company)	-	23	-	-
Total comprehensive income - transferred to statement of changes in equity	**179,429**	86,047	**99,848**	45,855

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

KAMAL A. CHINOY
Chief Executive

HAROUN RASHID
Director

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Note	Six months period ended 31 December 2016	 31 December 2015
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	*20*	**103,152**	42,718
Payments of staff retirement benefit		**(529)**	-
Finance costs paid		**(28,654)**	(45,509)
Taxes paid - net		**(73,424)**	(103,965)
Long-term loans receivable		**(100)**	(2,074)
Long-term deposits and prepayments		**3,124**	6,247
Net cash flows from operating activities		**3,569**	(102,583)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(141,632)**	(117,671)
Sales proceeds from disposal of fixed assets		**1,992**	4,113
Dividend received from an associate		**2,016**	1,440
Net cash flows from investing activities		**(137,624)**	(112,118)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan received		**35,000**	-
Long term loan paid		**(6,250)**	-
Net increase in short-term borrowings		**213,257**	126,037
Dividend paid		**(125,367)**	(83,652)
Net cash flows from financing activities		**116,640**	42,385
Net decrease in cash and cash equivalents		**(17,415)**	(172,316)
Cash and cash equivalents at beginning of the period		**(145,198)**	(96,093)
Cash and cash equivalents at end of the period	*21*	**(162,613)**	(268,409)

The annexed notes from 1 to 26 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 (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Share capital	Share premium reserve	General reserves	Unappro-priated Profit	Total
	(Rupees in '000)				
Balance as at 01 July 2015	284,623	527,800	708,000	179,892	1,700,315
Total comprehensive income for the six months period ended 31 December 2015					
- Profit for the period	-	-	-	86,024	86,024
- Other comprehensive income for the period - net of tax	-	-	-	23	23
Total comprehensive income	-	-	-	86,047	86,047
Transfer to general reserve for the year ended 30 June 2015	-	-	94,000	(94,000)	-
Transferred from surplus on revaluation of building during 01 July 2015 to 31 December 2015 - net of deferred tax	-	-	-	2,965	2,965
Transactions with owners - recorded directly in equity					
Final cash dividend for the year ended 30 June 2015 @ Rs. 3.00 per share	-	-	-	(85,387)	(85,387)
Balance as at 31 December 2015	284,623	527,800	802,000	89,517	1,703,940
Balance as at 01 July 2016	284,623	527,800	802,000	252,344	1,866,767
Total comprehensive income for the six months period ended 31 December 2016					
- Profit for the period	-	-	-	179,429	179,429
Transfer to general reserve for the year ended 30 June 2016	-	-	124,000	(124,000)	
Transferred from surplus on revaluation of building during 01 July 2016 to 31 December 2016 - net of deferred tax	-	-	-	5,258	5,258
Transactions with owners - recorded directly in equity					
Final cash dividend for the year ended 30 June 2016 @ Rs. 4.50 per share	-	-	-	(128,081)	(128,081)
Balance as at 31 December 2016	**284,623**	**527,800**	**926,000**	**184,950**	**1,923,373**

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

KAMAL A. CHINOY
Chief Executive

HAROUN RASHID
Director

1. INTRODUCTION

The 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 (currently Pakistan 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, 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 2016 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 unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange Limited.

These condensed interim financial statements comprise of the balance sheet as at 31 December 2016 and profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the six months period ended 31 December 2016 which have been subjected to a review but not audited.

These condensed interim financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ending 30 June 2016.

These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency and all financial information presented in Pakistani rupee have been rounded off to the nearest thousand, unless otherwise stated.

The comparative balance sheet presented in these condensed interim financial statements as at 30 June 2016 has been extracted from the audited financial statements of the Company for the year ended 30 June 2016, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the six months period ended 31 December 2015 have been extracted from the unaudited condensed interim financial statements for the period then ended.

3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 Accounting Policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2016.

3.2 Amendment and interpretation to approved accounting standards effective

During the period certain amendment and interpretation to approved accounting standards became effective. However these are either not relevant to the Company's operation and/or do not have any impact on the accounting policies of the Company.

3.3 Estimates and judgements

The preparation of 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. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 30 June 2016.

4. PROPERTY, PLANT AND EQUIPMENT

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

	Note	Six months period ended (Unaudited) 31 December 2016	(Unaudited) 31 December 2015
		(Rupees in '000)	
Additions			
Plant and machinery		**26,715**	45,691
Office equipment and appliances		**6,650**	2,787
Vehicles		**1,453**	859
Capital work in progress		**105,214**	67,196
Others		**1,600**	1,138
		141,632	117,671
Disposals (cost)		**(3,315)**	(6,093)

5. STOCK-IN-TRADE

	Note	(Unaudited) 31 December 2016	(Audited) 30 June 2016
		(Rupees in '000)	
Raw materials [including Rs. 216.3 million in transit (30 June 2016: Rs. 336.2 million)]	*5.1*	**633,734**	701,986
Work-in-process	*5.2*	**422,085**	351,362
Finished goods	*5.2*	**494,840**	475,528
Scrap		**48,170**	18,366
		1,598,829	1,547,242

5.1 Raw material includes slow moving items carried at Rs. Nil (30 June 2016: Rs. Nil) as against their cost of Rs. 21.1 million (30 June 2016 : Rs. 14.2 million).

5.2 Work-in-process and finished goods include slow moving items aggregating Rs. 15.4 million (30 June 2016: Rs. 9.8 million) and Rs. 20.7 million (30 June 2016: Rs. 15.3 million) respectively stated at their net realizable values against their cost of Rs. 16.3 million (30 June 2016: Rs. 12.2 million) and Rs. 36.6 million (30 June 2016: Rs. 31.3 million) respectively.

6. TRADE DEBTS

	Note	(Unaudited) 31 December 2016	(Audited) 30 June 2016
Unsecured and non-interest bearing		(Rupees in '000)	
Considered good			
Due from related parties		**80,697**	157,928
Others		**1,104,139**	862,102
		1,184,836	1,020,030
Considered doubtful			
Others		**47,440**	46,590
		1,232,276	1,066,620
Provision for doubtful trade debts		**(47,440)**	(46,590)
		1,184,836	1,020,030

7. SHORT-TERM LOANS AND ADVANCES

	Note	(Unaudited) 31 December 2016	(Audited) 30 June 2016
Unsecured and non-interest bearing		(Rupees in '000)	
Considered good			
Current portion of long term loans receivable		**2,073**	1,844
Short-term advances to employees		**4,174**	2,456
Advances to suppliers		**19,601**	12,391
		25,848	16,691

8. CASH AND BANK BALANCES

With banks in current accounts		**49,529**	54,151
Cash in hand		**222**	587
		49,751	54,738

9. LONG TERM LOANS - secured

Loans from financial institutions	*9.1*	**268,750**	240,000
Current portion shown under current liabilities		**(36,250)**	(12,500)
		232,500	227,500

9.1 Long term loans have been obtained for the purpose of capital expenditure and are secured against hypothecation of specific items of plant and machinery. Rate of mark-up on the loans at the period-end ranged between 6.65% to 6.71% per annum (30 June 2016: 6.77% to 7.16% per annum) at 6 months KIBOR plus 0.60% / 0.65%. These loans for five years from the date of disbursement are repayable in eight half yearly equal principal instalments of Rs. 6.3 million, Rs. 9.4 million, Rs. 14.4 million and Rs. 4.4 million commencing from 06 November 2016, 09 August 2017, 24 November 2017 and 22 February 2018 respectively. Total facility available to the Company under the above arrangement amounted to Rs. 350 million of which the amount remaining unutilised as at that date was Rs. 75 million (30 June 2016: total facility available of Rs. 350 million of which the amount unutilised as at that date was Rs. 110 million).

Above loans are secured against hypothecation charge of Rs. 367 million over the specific plant, machinery and equipment of the Company.

10. DEFERRED TAXATION - net

Taxable temporary differences on :		
Accelerated tax deprecation	**86,809**	98,776
Surplus on revaluation of building on leasehold land	**89,237**	91,610
Share of surplus on revaluation of land and building of the associated company	**1,278**	1,273
Share of profit of an equity accounted associated company	**2,428**	2,227
	179,752	193,886
Deductible temporary differences on :		
Provision for staff retirement benefit	**(9,309)**	(8,868)
Provision for doubtful trade debts	**(14,232)**	(13,977)
Provision for slow-moving stores and spares	**(1,695)**	(1,745)
Provision for import levies and other provisions	**(120,449)**	(96,724)
	(145,685)	(121,314)
	34,067	72,572

10.1 Reduction in deferred tax liability by Rs. 38.5 million (six months period ended 31 December 2015: Rs. 24.7 million) has been recognised in the profit & loss account. Deferred tax liability has been recognised at the rates at which these are expected to be settled / realised.

11. TRADE AND OTHER PAYABLES

	Note	(Unaudited) 31 December 2016	(Audited) 30 June 2016
		(Rupees in '000)	
Creditors		**205,977**	357,834
Accrued expenses		**420,939**	291,603
Advances from customers		**233,805**	298,394
Security deposits from distributors	*11.1*	**5,948**	8,448
Provision for import levies		**202,193**	186,662
Payable to staff provident fund - related party		**2,160**	-
Payable to staff pension fund - related party		**9,387**	36,658
Workers' profit participation fund		**13,968**	22,591
Workers' welfare fund		**11,942**	9,453
Sales tax payable		**87,091**	27,545
Withholding income tax payable		**3,814**	4,954
Unclaimed dividend		**15,885**	13,171
Others		**994**	4,870
	11.2	**1,214,103**	1,262,183

11.1 This includes security deposits from distributors under mark-up arrangements amounting to Rs. 5.0 million (30 June 2016: Rs. 7.5 million).

11.2 All the above liabilities are non-interest bearing except as disclosed in note 11.1 above.

12. SHORT-TERM BORROWINGS - secured

	Note	31 December 2016	30 June 2016
From banking companies			
Running musharka under Shariah arrangement		**85,110**	2,803
Running finance under mark-up arrangements		**127,254**	197,133
Running finance from banks	*12.1*	**212,364**	199,936
Short term finances under mark-up arrangement	*12.2*	**283,023**	151,842
Foreign currency import finance under mark-up arrangement	*12.3*	**183,265**	101,189
		678,652	452,967

12.1 Running finance from banks

The Company has arranged short-term running finance facilities from certain banks. Overall facility for these running finances under mark-up arrangements amounts to Rs. 2,150 million (30 June 2016: Rs. 2,150 million). Rate of mark-up on running finance facilities under mark-up arrangements ranges between 7.04% to 7.26% net of prompt payment rebate (30 June 2016: 6.75% to 7.74% per annum). These facilities will expire between 31 December 2016 to 30 September 2017 and are renewable.

Running musharaka carries mark-up at 6.44% per annum (30 June 2016: 6.75% per annum) and the available facility is Rs. 300 million.

12.2 Short term finances under mark-up arrangement

The amount outstanding against the short term finance facility as at 31 December 2016 available from banks was Rs. 283.0 million (30 June 2016: Rs. 151.8 million) earmarked out of the total running finance facilities of Rs. 750 million obtained from these banks, letter of credit facilities of Rs. 500 million and short-term finance of Rs. 500 million. Total facility available under this arrangements amounts to Rs. 2,748 million (30 June 2016: Rs. 2,150 million) which is a sublimit of above available running finance limit, letter of credit limit and short term finance limits. Mark-up on term finance is agreed at each disbursement and as at 31 December 2016, it ranged between 6.12% to 6.44% per annum (30 June 2016: 6.38% to 6.50% per annum). These are payable latest by 02 January 2017.

12.3 Foreign currency import finance under mark-up arrangement

The amount outstanding against the foreign currency import finance facility as at 31 December 2016 available from banks was Rs. 183.3 million (30 June 2016: Rs. 101.2 million) earmarked out of the total running finance facilities of Rs. 895 million obtained from these banks. Total facility available under this arrangements from various banks amounts to Rs. 1,945 million (30 June 2016: Rs. 2,150 million) which is the sublimit of the above available running finance limit. At 31 December 2016 these balances carried mark-up ranged between 1.15% to 1.25% per annum (30 June 2016: 1.2% per annum). These are payable latest by 09 February 2017.

12.4 Other facilities

The facility for opening letters of credit and guarantees as at 31 December 2016 amounted to Rs. 2,677 million including Rs. 580 million relating to the guarantees (30 June 2016: Rs. 2,828 million including Rs. 580 million relating to the guarantees) of which the amount remaining unutilised as at that date was Rs. 2,224 million including Rs. 198 million relating to the guarantees (30 June 2016: Rs. 2,438 million including Rs. 251 million relating to the guarantees).

12.5 Securities

Above arrangements are secured by way of joint pari passu hypothecation charge over stocks, stores and spares and present and future trade debts of the Company of Rs. 4,265 million and a ranking charge of Rs. 667 million has been created for the facilities availed from Industrial & Commercial Bank of China (ICBC) which will be upgraded to joint pari passu charge.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 1.8 million (30 June 2016: Rs. 18.5 million) against partial exemption of import levies.

b) Bank guarantees amounting to Rs. 382 million (30 June 2016: Rs. 329 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. 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 had filed an appeal against the above order with Commissioner (Appeals) which also upheld the order previously passed by the department. The Company has filed an appeal against the Commissioner (Appeals) order at Appellate Tribunal level.

d) The return for the tax year 2015 (financial year ended 30 June 2015) has been selected for audit by the tax authorities and in this respect, the Company received a show cause notice from the Large Taxpayer Unit (Audit Division) Karachi. The Company has submitted its response to the show cause notice. However, adequate provision has been held by the Company for the said tax year.

13.2 Commitments

a) Aggregate commitments for capital expenditure as at 31 December 2016 amounted to Rs. 34.5 million (30 June 2016: Rs. 65.2 million).

b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 31 December 2016 amounted to Rs. 70.9 million (30 June 2016: Rs. 38.3 million).

14. MARKETING, SELLING AND DISTRIBUTION COSTS

	Six months period ended	
	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015
	(Rupees in '000)	
Salaries, wages and benefits	**44,068**	39,839
Rent, rates and taxes	**15,580**	5,660
Commission	**878**	4,396
Repairs and maintenance	**1,429**	1,155
Communication and stationary	**2,314**	1,242
Training, travelling and entertainment	**7,536**	5,954
Advertising and publicity	**65,489**	51,877
Carriage and forwarding expense	**61,053**	60,615
Depreciation	**4,736**	3,873
Subscription	**767**	681
Insurance	**815**	763
Other expenses	**2,337**	2,747
	207,002	178,802

15. ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	**71,253**	65,366
Office rent	**3,124**	2,982
Insurance	**922**	1,214
Repairs and maintenance	**3,045**	3,861
Legal and professional	**6,800**	3,709
Auditors' remuneration	**996**	792
Communication and stationary	**3,341**	3,914
Provision of doubtful trade debts	**850**	15,431
Training, travelling and entertainment	**3,391**	3,727
Depreciation	**5,988**	5,328
Amortization	**2,828**	1,012
Donations	**-**	248
Other expenses	**5,095**	4,594
	107,633	112,178

16. OTHER EXPENSES

Liquidated damages for late deliveries	**3,301**	20
Workers' profits participation fund	**13,968**	6,759
Workers' welfare fund	**5,222**	3,926
	22,491	10,705

17. OTHER INCOME

This includes scrap sales of Rs. 10.2 million (six months period ended 31 December 2015 : Rs. 5.1 million) and reversal of impairment loss on investment in an associated company of Rs. 14.8 million (six months period ended 31 December 2015: Nil).

18. TAXATION

Current - for the period	**119,230**	63,127
Deferred - due to changes in temporary differences - net	**(38,505)**	(24,650)
	80,725	38,477

The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company intends to distribute sufficient cash dividend for the year ending 30 June 2017 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim financial statements.

19. EARNINGS PER SHARE - Basic and diluted

	Six months period ended (Unaudited)		Three months period ended (Unaudited)	
	31 December 2016	31 December 2015	**31 December 2016**	31 December 2015
	(Rupees in '000)		(Rupees in '000)	
Profit after taxation	**179,429**	86,024	**99,848**	45,855
	(Number of shares)		(Number of shares)	
Weighted average number of ordinary shares issued and subscribed at the end of the period	**28,462,376**	28,462,376	**28,462,376**	28,462,376
	(Rupees)		(Rupees)	
Earnings per share - basic and diluted	**6.30**	3.02	**3.51**	1.61

20. CASH GENERATED FROM OPERATIONS

	Six months period ended	
	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015
	(Rupees in '000)	
Profit before taxation	**260,154**	124,501
Adjustments for non cash charges and other items:		
- Depreciation	**93,262**	76,504
- Amortization	**2,828**	1,012
- Provision for staff gratuity	**1,997**	2,010
- Other long-term employee benefits	**2,137**	3,495
- Gain on disposal of fixed assets	**(995)**	(2,227)
- Share of profit from associate	**(3,707)**	(1,933)
- Reversal of impairment loss on investment in associate	**(14,776)**	-
- Finance costs	**32,986**	47,866
Working capital changes:		
(Increase) / decrease in current assets		
- Stores and spares	**(4,513)**	(1,399)
- Stock-in-trade	**(51,587)**	(203,194)
- Trade debts	**(164,806)**	(105,284)
- Short-term loans and advances	**(9,157)**	(1,356)
- Short-term deposits and payments	**9,803**	(791)
- Other receivables	**320**	(27,260)
	(219,940)	(339,284)
Increase/ (decrease) in current liabilities		
Trade and other payables	**(50,794)**	130,774
	(270,734)	(208,510)
	103,152	42,718

21. CASH AND CASH EQUIVALENTS

	(Unaudited) As at 31 December 2016	(Unaudited) As at 31 December 2015
	(Rupees in '000)	
Cash and bank balances	49,751	23,873
Running finance under mark-up agreements from banks	(212,364)	(292,282)
	(162,613)	(268,409)

22. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors of the Company, key management personnel and staff retirement benefit funds. Contributions to defined Contribution Plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (Pension Scheme) are in accordance with the actuarial advises. Directors' fee is recorded as per the remuneration approved by the Board of Directors.

Remuneration of key management personnel are in accordance with their terms of employment. Share of profit of the associated company and dividend from them are as per the profit and dividend declared by them. Other transactions are at agreed terms.

Details of transactions with related parties other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

		Six months period ended	
Transactions with related parties:	*Note*	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015
		(Rupees in '000)	
Associated undertaking			
Sale of goods		426,094	399,482
Purchase of goods and materials		23,181	39,361
Services obtained		4,650	5,994
Insurance premium expense		1,168	1,089
Liquidated damages for late deliveries		11	-
Dividend received		2,016	1,440
Dividends paid		42,417	28,278
Loan to the executive director	22.1	1,296	-
Directors' fee		1,050	880
Share of total comprehensive income of an associated company under the equity basis of accounting		3,707	1,956
Share of surplus on revaluation of land and buildings of associated company		30	222
Reversal of provision against investment in an associated company		14,776	-
Other related parties			
Remuneration of key management personnel		64,101	53,614
Net charge in respect of staff retirement defined benefit plan (pension scheme)		2,730	4,872
Contribution to the provident fund		5,719	4,962

		(Unaudited) As at 31 December 2016	(Audited) As at 30 June 2016
Balances with related parties:		(Rupees in '000)	
Associated undertakings			
Trade debts		80,697	157,928
Creditors		775	-
Other related parties			
Retirement benefit plans payable (net)		11,547	36,337
Directors' fee payable		1,100	1,000
Loan receivable from the executive director	22.1	1,212	-
Loan receivable from executives		337	512
Security deposit receivable		-	1,071
Liability for expenses		-	4,033

22.1 Subsequent to the disbursement of a house loan to a director in the whole time employment with the Company, an application under proviso to section 195 of the Companies Ordinance, 1984 has been filed by the Company with Securities and Exchange Commission of Pakistan for their approval which is pending. The loan carries mark-up at 8% per annum and is due for settlement in 37 months (including interest).

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non- financial instruments including their levels in the fair value hierarchy:

	31 December 2016			
	Carrying Amount			Fair value
On-balance sheet financial instruments	**Loans and receivables**	**Other financial assets**	**Total**	**Total**
	(Rupees in '000)			
Financial assets not measured at fair value				
Trade debts	1,184,836	-	1,184,836	-
Loans, advances and deposits	36,425	-	36,425	-
Other receivable	269	-	269	-
Cash and bank balance	49,529	222	49,751	-
	1,271,059	222	1,271,281	-

	31 December 2016			
	Carrying Amount			Fair value
Financial liabilities not measured at fair value	**Loans and receivables**	**Financial liabilities**	**Total**	**Total**
	(Rupees in '000)			
Long term loans	-	268,750	268,750	-
Trade and other payables	-	476,946	476,946	-
Short term borrowings	-	678,652	678,652	-
Mark-up accrued on banks borrowings	-	11,014	11,014	-
	-	1,435,362	1,435,362	-

On-balance sheet financial instruments	30 June 2016 Carrying Amount Loans and receivables	Other financial assets	Total	Fair value Total
	(Rupees in '000)			
Financial assets not measured at fair value				
Trade debts	1,020,030	-	1,020,030	-
Loans, advances and deposits	37,201	-	37,201	-
Other receivable	589	-	589	-
Cash and bank balance	54,151	587	54,738	-
	1,111,971	587	1,112,558	-

Financial liabilities not measured at fair value	30 June 2016 Carrying Amount Loans and receivables	Financial liabilities	Total	Fair value Total
	(Rupees in '000)			
Long term loans	-	240,000	240,000	-
Trade and other payables	-	564,761	564,761	-
Short term borrowings	-	452,967	452,967	-
Mark-up accrued on banks borrowings	-	6,682	6,682	-
	-	1,264,410	1,264,410	-

The Company has not disclosed the fair values of the above financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

Non financial assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable input and fair value measurement
Revalued Property, plant and equipment			
Land and Building	30 June 2016	The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs

24. OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of single reportable segment.

24.1 Revenue from cables & wires represents 97% (30 June 2016 : 97%) of the total revenue of the company.

24.2 99.7% (30 June 2016: 99%) sales of the Company relates to customers in Pakistan.

24.3 All non-current assets of the Company at 31 December 2016 are located in Pakistan. The Company does not have any customer having sales of 10% or more during the period ended 31 December 2016 (30 June 2016: 10%).

25. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statement as at and for the year ended 30 June 2016.

26. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 31 January 2017 by the Board of Directors of the Company.

KAMAL A. CHINOY
Chief Executive

HAROUN RASHID
Director

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