

REPORT & ACCOUNTS

**FOR THE HALF YEAR ENDED
DECEMBER 31, 2013**



Emco Industries Limited

REPORT & ACCOUNTS

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Emco Industries Limited

Directors' Report

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present Unaudited financial statement of the Company for the half year ended December 31, 2013.

Sale for the period under review is Rs. 583.83 million as compared to Rs.731.80, and your company has incurred net loss after tax of Rs. 45.024 million as compared to net loss after tax of Rs. 61.103 million in the same period last year. The reported loss is mainly attributed to increase in raw material prices and unprecedented power shortages and the closure of the Karachi Port on various occasions resulting in shortages of imported raw materials and components.

The key highlights of the six months under review and plant wise performance are as under:

Insulator Plant

The profit from operation is Rs.51.202 million in this period as compared to operating profit of Rs 23.417 million for the same period last year. Average monthly production has decreased from 220 tons to 85.15 tons against the corresponding period. Keeping in view the orders in hand we expect improvement in results in subsequent quarters.

Wall Tile

The operating loss of this division is Rs. 44.132 million as compared to operating profit of Rs. 23.850 million over the same period last year. The net sales have decreased from Rs. Rs.413.342 million to Rs.296.128 million over the same period last year. The average monthly production of wall tile plant has decreased from 153,909 M² to 116,843 M² primarily owing to severe shortage of gas and electricity. We are expecting improvement in the operating results of this division in coming quarters based on improved supply of gas.

Floor Tile

The operating profit of this plant is Rs.1.753 million as compared to operating loss of Rs. Rs.8.792 million from the correspondence period. The average monthly production of this plant has increased from 48,753 M² to 61,251M².

The directors are thankful to our valued customers, dealers, financial institutions and other stakeholders for their continued trust. The hard work of all employees is recognized and appreciated.

On behalf of board

Lahore
February 28, 2014

Tariq Rehman
Managing Director

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Emco Industries Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes to the financial information for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this 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 interim financial information based on our review. The figures included in the condensed interim profit and loss account for the quarters ended December 31, 2012 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2013.

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 financial information consists of making inquiries, primarily of persons responsible for the 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 interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of Matter

We draw attention to note 2.5 to the interim financial information, which describes in detail the conditions which indicate the existence of uncertainties relating to the going concern of the Company. Our opinion is not qualified in respect of this matter.

The financial statements of the Company for the half year ended December 31, 2012 and for the year ended June 30, 2013 were reviewed and audited by another auditor who expressed an unmodified conclusion and opinion thereon on February 28, 2013 and October 7, 2013, respectively.

HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Date: February 28, 2014

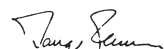
(Engagement Partner: Muhammad Nasir Muneer)

CONDENSED INTERIM BALANCE SHEET

	Note	Unaudited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital:			
40,000,000 (June 30, 2013: 40,000,000)		400,000,000	400,000,000
Ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital:			
35,000,000 (June 30, 2013: 35,000,000)		350,000,000	350,000,000
Ordinary shares of Rs. 10 each		129,898,526	129,898,526
Reserves		(482,908,355)	(461,994,376)
Accumulated loss		(3,009,829)	17,904,150
Surplus on Revaluation of Property, Plant and Equipment		590,667,875	604,623,040
Non Current Liabilities			
Long term loans from directors		115,708,828	115,708,828
Long term finances	6	305,411,168	257,268,254
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		45,157,622	45,047,704
Deferred tax liability		100,418,589	110,277,352
		566,696,207	528,302,138
Current Liabilities			
Trade and other payables		354,526,733	324,608,021
Accrued markup		126,948,450	104,588,388
Short term borrowings from related parties - unsecured		126,175,504	125,538,486
Finances under mark-up arrangements - secured		358,113,737	366,576,111
Current portion of non-current liabilities		116,778,140	180,234,071
		1,082,542,564	1,101,545,077
Contingencies and Commitments	7	-	-
		2,236,896,817	2,252,374,405

The annexed notes form an integral part of this condensed interim financial information (un-audited).

Lahore
February 28, 2014



(Tariq Rehman)
Chief Executive

(UN-AUDITED) AS AT DECEMBER 31, 2013

ASSETS	Note	Unaudited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
Non Current Assets			
Property, plant and equipment	8	1,253,148,194	1,305,834,295
Assets subject to finance lease		10,914,367	13,929,065
Intangible assets		3,647,642	3,839,623
Long term deposits		-	809,778
Long term loans		3,681,254	1,114,295
		<hr/>	<hr/>
		1,271,391,457	1,325,527,056
Current Assets			
Stores, spares and loose tools		109,004,101	118,406,907
Stock-in-trade		388,326,728	363,706,465
Trade debts		261,094,951	258,080,528
Loans, advances, deposits, prepayments and other receivables		120,144,805	74,206,533
Income tax recoverable		73,360,180	65,345,820
Cash and bank balances		13,574,595	47,101,096
		<hr/>	<hr/>
		965,505,360	926,847,349
		<hr/>	<hr/>
		2,236,896,817	2,252,374,405
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(Haris Noorani)
Director


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013

	Notes	July to December		October to December	
		December 31, 2013 Rupees	December 31, 2012 Rupees	December 31, 2013 Rupees	December 31, 2012 Rupees
Sales - net		583,832,709	731,802,193	256,929,060	365,185,142
Cost of sales	9	(492,519,385)	(644,902,175)	(212,216,644)	(320,881,771)
Gross Profit		91,313,324	86,900,018	44,712,416	44,303,371
- Selling and distribution expenses		(47,204,081)	(62,046,750)	(24,309,987)	(32,354,271)
- Administrative expenses		(34,988,617)	(34,078,664)	(17,888,717)	(19,661,459)
		(82,192,698)	(96,125,414)	(42,198,704)	(52,015,730)
Operating Profit / (Loss)		9,120,626	(9,225,396)	2,513,712	(7,712,359)
Other operating expenses		(1,364,397)	(3,069,169)	(954,599)	(1,289,551)
Finance cost		(50,559,736)	(59,655,500)	(25,692,174)	(30,084,621)
Other income		3,913,927	5,343,319	3,751,026	5,188,212
Loss before Taxation		(38,889,580)	(66,606,746)	(20,382,035)	(33,898,319)
Taxation		4,020,436	5,503,336	5,139,484	7,336,421
Net Loss for the Period		(34,869,144)	(61,103,410)	(15,242,551)	(26,561,898)
Loss per Share - Basic and Diluted (Rupees)		(1.00)	(1.75)	(0.44)	(0.76)

The annexed notes form an integral part of this condensed interim financial information (un-audited).

Lahore
February 28, 2014


(Tariq Rehman)
Chief Executive


(Haris Noorani)
Director


CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013

	Half year ended		Quarter ended	
	December 31, 2013 Rupees	December 31, 2012 Rupees	December 31, 2013 Rupees	December 31, 2012 Rupees
Net Loss for the Period	(34,869,144)	(61,103,410)	(15,242,551)	(26,561,898)
Other comprehensive income				
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period	13,955,165	9,797,335	13,955,165	9,797,335
Other comprehensive income for the period	13,955,165	9,797,335	13,955,165	9,797,335
Total Comprehensive Loss for the Period	<u>(20,913,979)</u>	<u>(51,306,075)</u>	<u>(1,287,386)</u>	<u>(16,764,563)</u>

The annexed notes form an integral part of this condensed interim financial information (un-audited).

Lahore
February 28, 2014


(Tariq Rehman)
Chief Executive


(Haris Noorani)
Director

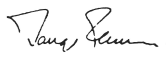
CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED)

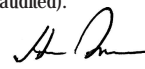
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013

Notes	Half year ended	
	December 31, 2013 Rupees	December 31, 2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(38,889,580)	(66,606,746)
- Depreciation on property, plant and equipment	59,367,030	50,775,043
- Depreciation on assets subject to finance lease	408,353	1,045,367
- Amortization of intangible assets	191,981	237,014
- Provision for gratuity	4,144,114	4,228,549
- Provision for doubtful debts - trade	-	1,226,549
- (Gain) / loss on disposal of property, plant and equipment	(1,312,547)	46,502
- Liabilities written back	-	(5,063,475)
- Receivable written off	-	466,180
- Finance cost	50,559,736	59,655,500
	113,358,667	112,617,229
Operating profit before working capital changes	74,469,087	46,010,483
(Increase) / decrease in current assets:		
- Stores and spares	9,402,806	(10,576,253)
- Stock in trade	(24,620,263)	62,852,239
- Trade debts	(3,014,423)	18,377,905
- Loans and advances, deposits, prepayments and other receivable	(45,938,272)	(3,421,237)
Increase in current liabilities:		
- Trade and other payables	29,918,712	43,598,809
	(34,251,440)	110,831,463
Cash generated from operations	40,217,647	156,841,946
Finance cost paid	(28,199,674)	(47,461,776)
Payment to gratuity fund	(4,034,196)	(4,108,185)
Income tax paid	(13,852,688)	(17,075,331)
Income tax refunded during the period	-	12,000,000
Net Cash (used in)/generated from Operating Activities	(5,868,911)	100,196,654
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(6,815,885)	(9,514,615)
Long term loans and other receivables	(2,566,959)	357,482
Long term deposits	809,778	2,806,914
Proceeds from disposal of property, plant and equipment	4,053,848	-
Net Cash used in Investing Activities	(4,519,218)	(6,350,219)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing repaid	(13,625,210)	(36,950,569)
Lease rentals paid	(1,687,806)	(2,917,167)
Short term borrowings acquired repaid	(7,825,356)	(59,618,838)
Net Cash used in Financing Activities	(23,138,372)	(99,486,574)
Net Decrease in Cash and Cash Equivalents	(33,526,501)	(5,640,139)
Cash and cash equivalents at the beginning of the period	47,101,096	18,063,222
Cash and Cash Equivalents at the End of the Period	13,574,595	12,423,083

The annexed notes form an integral part of this condensed interim financial information (un-audited).

Lahore
February 28, 2014


(Tariq Rehman)
Chief Executive


(Haris Noorani)
Director

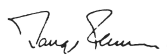
**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UN-AUDITED)**

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013

	Share Capital Rupees	Share Premium Rupees	General Reserve Rupees	Accumulated Loss Rupees	Total Rupees
Balance as at June 30, 2012	350,000,000	39,898,526	90,000,000	(447,269,291)	32,629,235
Total comprehensive loss for six months period ended December 31, 2012	-	-	-	(51,306,075)	(51,306,075)
Balance as at December 31, 2012	350,000,000	39,898,526	90,000,000	(498,575,366)	(18,676,840)
Balance as at June 30, 2013	350,000,000	39,898,526	90,000,000	(461,994,376)	17,904,150
Total comprehensive loss for six months period ended December 31, 2013	-	-	-	(20,913,979)	(20,913,979)
Balance as at December 31, 2013	350,000,000	39,898,526	90,000,000	(482,908,355)	(3,009,829)

The annexed notes form an integral part of this condensed interim financial information (un-audited).

Lahore
February 28, 2014


(Tariq Rehman)
Chief Executive


(Haris Noorani)
Director

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013

1. The Company and its Operations
 - 1.1 EMCO Industries Limited ("the Company") is incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The Company was incorporated as a Joint Stock Company in Pakistan under the Companies Act, 1913, (now Companies Ordinance 1984) as a private limited company on August 17, 1954 by the name of Electric Equipment Manufacturing Company (Private) Limited. Later, it was converted into a public company on August 20, 1983 and its name was changed to EMCO Industries Limited on September 12, 1983. The Company was listed on the stock exchanges on December 29, 1983. Its registered head office is situated at 119-E/1, Hali Road, Gulberg III, Lahore.
 - 1.2 The Company is principally engaged in the manufacture and sale of high/low tension electrical porcelain insulators, switchgear and ceramic tiles.
2. Basis of Preparation
 - 2.1 This condensed interim financial information of the company for the six months period ended December 31, 2013 has 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.
 - 2.2 This financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2013. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2013 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited interim financial information for the half year ended December 31, 2012.
 - 2.3 This condensed interim financial information is unaudited; however, a limited scope review has been performed by the external auditors as required by the Code of Corporate Governance.
 - 2.4 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentational currency. Figures have been rounded off to the nearest rupees, unless otherwise stated.
 - 2.5 Going concern assumption

The Company has incurred a loss after taxation of Rs (34,869,144) million during the period ended December 31, 2013 while the accumulated loss stands at Rs (482,908,355) million as at December 31, 2013. Current liabilities exceed current assets by Rs (117,037,204) million and the existing borrowing facilities are fully utilized. Further, subsequent to the condensed interim balance sheet date, the Company has temporarily closed down the production capacity of ceramic tiles due to suspension of gas supply. The Company, in order to carry on its business and to meet its current obligations requires improvement in operating margins and increase in sales volume through increased production quantities. Continuation of the Company as a going concern is dependent on its ability to attain satisfactory level of profitability in future and continued support from sponsors.

The management of the Company is confident that it will be able to meet its obligations and carry on business based on the grounds that the Company will be able to achieve satisfactory level of profitability in the future based on the plans drawn up by the management for this purpose, which include restructuring of the currently overdue borrowing facilities, continued support from sponsors and increased profitability through higher sales volumes and improved operating margins.

This financial information consequently does not include any adjustments relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.
3. Significant Accounting Policies

The accounting policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2013 except for the change in accounting policy as described below:

3.1 Change in accounting policy for employee benefits - defined benefit plan
IAS-19 (Revised) 'Employee Benefits' amends the accounting for employment benefits. The Standard has become effective for the Company from July 01, 2013. Major changes introduced by the Revised Standard are as follows:

- i) Past service cost to be recognized immediately in the profit and loss account
- ii) Interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate to be measured at the beginning of the year.
- iii) Remeasurement of the net defined benefit liability / asset comprising the actuarial gain / losses and the difference between the actual return on investments and return implied by the net interest cost.
- iv) Recognition of remeasurement immediately in other comprehensive income.

The management has adopted the above changes in accounting policy and believes that the effect of these changes would not have a material effect on the condensed interim financial information.

4. Estimates

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2013 with the exception of changes in estimates that are required in determining the provision for income taxes.

4.1 Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

5. Financial Risk Management

5.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2013.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

5.3 Fair value estimation

The carrying amount of trade receivables and payables are assumed to approximate to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Company for similar financial instruments.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value determined on the basis of objective evidence at each reporting date.

During the period, there were no significant changes in the business or economic circumstances that affects the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no classifications of financial assets.

	Note	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
6.	Long Term Finances		
	These are composed of long term finances from:		
	Related parties - unsecured	153,206,240	153,206,240
	Banking companies - secured	255,454,343	269,079,554
	Others - unsecured	10,615,692	10,615,692
		<u>419,276,275</u>	<u>432,901,486</u>
	Less: current maturity		
	Related parties - unsecured	(6,857,000)	(81,454,000)
	Banking companies - secured	(107,008,107)	(94,179,232)
		<u>305,411,168</u>	<u>257,268,254</u>
7.	Contingencies and Commitments		
	Contingencies		
	No material contingencies as at half year ended December 31, 2013		
	Guarantees		
	WAPDA	45,956,380	49,621,080
	Sui Northern Gas Pipelines Limited	69,485,000	75,867,289
		<u>115,441,380</u>	<u>125,488,369</u>
8.	Property, Plant and Equipment		
	Opening written down value	1,305,834,295	1,087,203,564
	Additions during the period / year	6,680,929	23,327,423
	Additions due to revaluation during the period / year	-	304,654,485
	Disposals during the period / year	-	(4,133,958)
		<u>1,312,515,224</u>	<u>1,411,051,514</u>
	Depreciation charge for the period / year	(59,367,030)	(105,217,219)
		<u>1,253,148,194</u>	<u>1,305,834,295</u>

	Un-audited Half year ended		Un-audited Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rupees	Rupees	Rupees	Rupees
9. Cost of goods sold				
Raw and packing material consumed	147,913,953	222,659,344	61,920,332	107,575,192
Stores and spares consumed	20,571,664	27,984,555	8,025,197	12,488,134
Salaries, wages and benefits	104,087,856	131,282,065	49,794,171	69,248,121
Power and gas	185,572,340	175,711,279	63,611,106	94,247,231
Depreciation on property, plant and equipment	58,432,692	49,657,865	31,926,075	24,217,197
Depreciation on assets subject to finance lease	408,353	640,682	88,012	320,341
Vehicle maintenance	196,093	268,429	134,493	170,209
Repairs and maintenance	3,210,697	3,515,543	2,274,673	2,503,454
Insurance	1,574,288	1,776,565	787,144	898,461
Communication and stationery	787,661	1,094,134	328,065	457,909
Rent, rates and taxes	14,019,536	9,342,567	6,082,789	4,878,505
Travelling and conveyance	2,101,806	2,576,946	909,292	1,053,279
Others	1,245,857	2,981,129	312,653	935,938
	540,122,796	629,491,103	226,194,002	318,993,971
Work in process:				
- Opening work in process	35,462,946	37,114,281	47,608,179	35,048,635
- Closing work in process	(46,998,549)	(39,675,749)	(46,998,549)	(39,675,749)
	(11,535,603)	(2,561,468)	609,630	(4,627,114)
Cost of goods manufactured	528,587,193	626,929,635	226,803,632	314,366,857
Finished goods:				
- Opening finished goods	189,564,881	220,880,533	211,045,701	209,422,907
- Closing finished goods	(225,632,689)	(202,907,993)	(225,632,689)	(202,907,993)
	(36,067,808)	17,972,540	(14,586,988)	6,514,914
	492,519,385	644,902,175	212,216,644	320,881,771

10. Transactions with Related Parties

Related parties and associated companies comprise related group companies, associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	Half year ended	
	December 31, 2013 Rupees	December 31, 2012 Rupees
Associates and related parties		
Mark-up on long term finances	554,436	394,052
Mark-up on short term finances	3,088,932	-
Purchase of materials, goods and services	-	733,297
Sale of materials and goods	26,346	-
Short term borrowing obtained	28,214,621	44,624,800
Short term borrowing repaid	26,577,598	72,454,111
Rent paid	2,036,290	2,243,261
Short term loan converted into long term	-	22,000,000
Managerial services and expenses charged - net	22,202,787	22,866,400
Staff retirement fund		
Markup on loan from Employees' Provident Fund Trust	8,888,716	10,281,163
Expense charged to Gratuity Fund	3,851,917	9,279,793

11. Segment Reporting

11.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Chief Executive Officer for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Company is organized into following two operating segments:

Types of segments	Nature of business
- Insulator	Manufacture and sale of high/low tension electrical porcelain insulators and switchgear
- Tile	Manufacture and sale of ceramic tiles

The management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions but do not include deferred taxes. Segment liabilities include all operating liabilities and consist principally of trade payable, bills payable and short term borrowing.

11.2 Segment analysis

The segment information for the reportable segments for the half year ended December 31, 2013 is as follows.

	Insulator	Tiles	Total
	Rupees in Thousands		
Segment Results for the half year ended December 31, 2013			
Revenue	140,330,365	443,502,344	583,832,709
Segment result from operations	51,254,893	(42,134,267)	9,120,626
Other operating expenses			(1,364,397)
Finance costs			(50,559,736)
Other income			3,913,927
Loss before taxation			(38,889,580)
Segment Results for the half year ended December 31, 2012			
Revenue	193,329,806	538,472,387	731,802,193
Segment result from operations	23,417,034	(32,642,430)	(9,225,396)
Other operating expenses			(3,069,169)
Finance costs			(59,655,500)
Other income			5,343,319
Loss before taxation			(66,606,746)
Segment asset and liabilities as at December 31, 2013			
Segment assets	807,052,158	1,211,582,654	2,018,634,812
Segment liabilities	332,653,083	332,653,083	665,306,166
Segment asset and liabilities as at June 30, 2013			
Segment assets	773,542,978	1,286,414,282	2,059,957,260
Segment liabilities	345,592,067	345,592,067	691,184,134
		December 31, 2013 Rupees	June 30, 2013 Rupees
Segment assets for reportable segments		2,018,634,812	2,059,957,260
Corporate assets unallocated		218,262,005	192,417,145
Total assets as per the balance sheet		2,236,896,817	2,252,374,405

	December 31, 2013 Rupees	June 30, 2013 Rupees
Reportable segments' liabilities are reconciled to total liabilities as follows:		
Segment liabilities for reportable segments	665,306,166	691,184,134
Corporate liabilities unallocated	983,932,605	938,663,081
Total liabilities as per the balance sheet	<u>1,649,238,771</u>	<u>1,629,847,215</u>

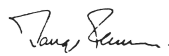
12. Authorization of Financial Information

This condensed interim financial information (un-audited) is authorized for issuance on February 28, 2014 by the Board of Directors of the Company.

13. General

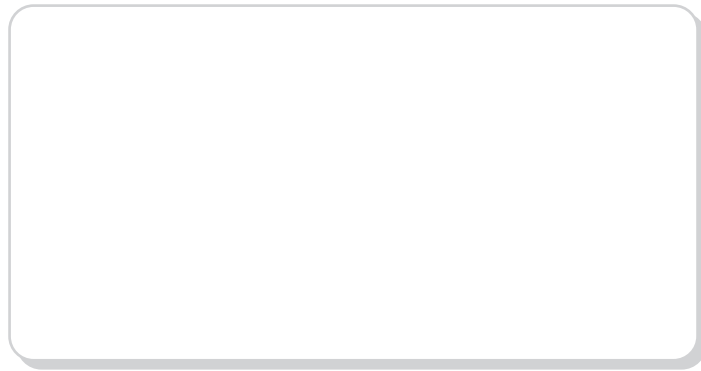
Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No re-arrangements / reclassification have been made in the condensed interim financial information (un-audited).

Lahore
February 28, 2014


(Tariq Rehman)
Chief Executive


(Haris Noorani)
Director

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