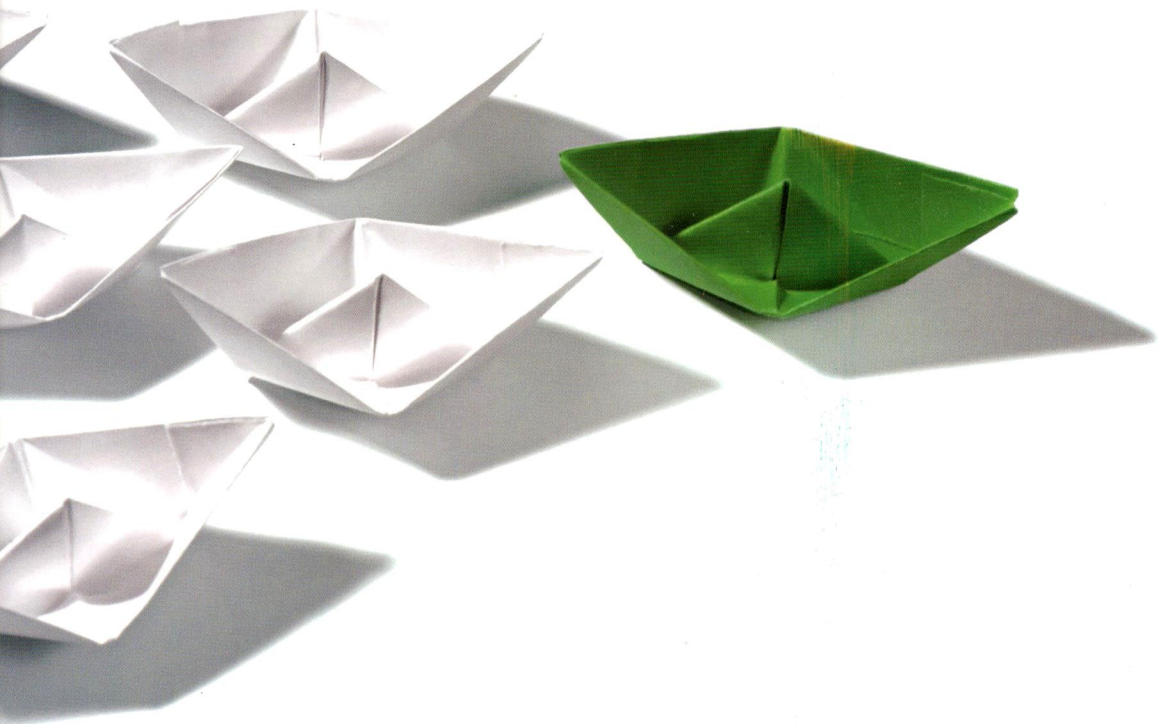


POWER TO LEAD

Half Yearly Accounts
for six months ended December 31, 2017



TRUSTED NOT TO COMPROMISE

COMPANY INFORMATION

Board of Directors

Mr. Mustapha A. Chinoy	Chairman
Mr. Haroun Rashid	
Mr. Roderick Macdonald	
Ms. Sadia Khan	
Mr. Saquib H. Shirazi	
Mr. Shoaib Mir	
Mr. Kamal A. Chinoy	Chief Executive Officer
Mr. Fahd Kamal Chinoy	
Mr. Muhammad Ashfaq Alam	

Company Secretary

Ms. Nazifa Khan

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

Barrister M. Jamshid Malik

Tax Advisors

A.F. Fergusons & Co.
Muhammad Bilal & Co.

Bankers

Standard Chartered Bank (Pakistan) Limited
Bank Al-Habib Limited
Habib Bank Limited
Meezan Bank Limited
MCB Bank Limited
Industrial and Commercial Bank of China Limited

Share Registrar

THK (Pvt.) Limited 1st Floor, 40-C,
Block-6, P.E.C.H.S., Karachi - 75400
Tel: +92 -21-34168270
Fax: +92-21-34168271
Email: secretariat@thk.com.pk

Registered Office

B-21 Pakistan Cables Road
Sindh Industrial Trading Estates,
Karachi -75700
P.O Box 5050
Tel: +92 -21- 32561170-5
Fax: +92-21-32564614
Email: info@pakistancables.com

Website: www.pakistancables.com

DIRECTORS' REVIEW

Sales revenue for the half year period ended December 31, 2017 stood at Rs. 4.5 billion which is 9% higher than the sales for the corresponding period of last year. Gross profit was recorded at Rs. 633.5 million for the half year compared to Rs. 599.1 million in the same period of last year.

Selling, Marketing and administrative expenses are Rs. 342.9 million compared to Rs. 314.6 million. Finance costs for the half year are Rs. 65.8 million compared to Rs. 33.0 million in the same period of last year. The rise in finance cost is a result of increased working capital requirements and exchange loss on borrowings in US dollars.

As a result of the above factors, your company ended the half year with a profit after tax of Rs. 181.4 million compared to a profit after tax of Rs. 179.4 million in the same period of last year. Earning per share has increased to Rs. 6.37 compared to Rs. 6.30 in the same period of last year.

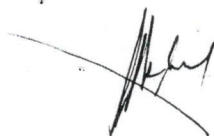
The Board is pleased to announce an interim dividend of 25%.

On the international front, the prices of copper have surged to a near 4-year high resulting in high cost of input material. The rupee also fell prey to the external pressure emanating from heavy debt repayments and lower foreign investment and depreciated by over 5% against the US dollar. As Pakistan nears election year, the uncertainties associated with any election cycle is a cause of concern within the business community. In view of this, it is very difficult to predict the next six months. However, the Company hopes to maintain sustained growth through cost control and improved efficiencies to increase productivity.

We are pleased to inform the shareholders that during the current year we received the FPCCI Export Award for the year 2016-17 for traditional products. The award was presented by the Chairman of Senate.

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 30, 2018

31 دسمبر 2017ء کو اختتام پذیر نصف سالہ مدت کے لئے سیلز آمدنی 4.5 بلین روپے رہی۔ اسی طرح گذشتہ سال کی اسی مدت کے مقابلے میں 9 فیصد اضافہ ریکارڈ کیا گیا۔ گذشتہ سال کی اسی مدت میں 599.1 بلین روپے کے مقابلے میں مجموعی منافع 633.5 بلین روپے ہے۔

سیلنگ، مارکیٹنگ اور انتظامی اخراجات 314.6 بلین روپے کے مقابلے میں 342.9 بلین روپے ہیں۔ نصف سالہ مدت کے لیے مالیاتی چارجز 65.8 بلین روپے ہیں۔ جب کہ گذشتہ سال اسی مدت میں 33.0 بلین روپے تھے۔ زیر کار سرمایہ کی طلب میں اضافہ اور امریکی ڈالر میں قرضہ لینے کی وجہ سے آپیکھنج خسارہ کے نتیجے میں مالی لاگت میں اضافہ ہوا۔

مذکورہ بالا عوامل کی نتیجہ میں، آپ کی کمپنی ختم ہونے والے نصف سالہ مدت میں ٹیکس کے بعد 181.4 بلین روپے منافع حاصل ہوا جو گذشتہ سال کی اسی مدت میں 179.4 بلین روپے تھا۔ گذشتہ سال کی اسی مدت میں 6.30 روپے فی حصص قیمت کے مقابلے میں فی حصص قیمت 6.37 روپے رہی۔

بورڈ نے ۲۵ فیصد عبوری نقد منافع منقسم کا اعلان کیا ہے۔

بین الاقوامی سطح پر، کاپر کی قیمتیں 4 سال کی بلند ترین سطح پر پہنچ گئیں جس کے نتیجے میں ان پٹ میٹریل کی لاگت میں اضافہ ہوا۔ بیرونی دباؤ کی وجہ سے روپے کی قدر میں بھی کمی دیکھی گئی جو بھاری قرضوں کی ادائیگی اور غیر ملکی سرمایہ داری میں کمی اور امریکی ڈالر کے مقابلے میں 5 فی صد تک فرسودگی کی وجہ سے ہے۔ چونکہ پاکستان میں انتخابات کا سال قریب ہے اس لئے کاروباری حلقے میں ایکشن سائیکل میں غیر یقینی کی صورت حال بہت اہمیت کی حامل ہے۔ اس تناظر میں، آئندہ چھ ماہ کی پیش گوئی کرنا بہت مشکل ہے۔

تاہم، کمپنی لاگت پر کنٹرول اور بہترین اقدامات کے ذریعے پیداوار میں اضافہ کر کے مناسب نمو کو برقرار رکھنے کے لئے پر امید ہے۔

ہم حصص داران کو آگاہ کرنے میں خوشی محسوس کرتے ہیں کہ رواں سال کے دوران روایتی مصنوعات کی مد میں سال 2016-17 کے لئے ہم نے FPCCI ایکسپورٹ ایوارڈ حاصل کیا ہے۔ یہ ایوارڈ چیئر مین سینیٹ نے پیش کیا۔

ڈائریکٹرز اس مدت کے دوران انتظامیہ اور کمپنی کے ملازمین کی محنت اور جذبہ کو قدر کی نگاہ سے دیکھتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کی جانب سے ہم اپنے گراں قدر کسٹمرز، ڈسٹری بیوٹرز، ڈیلرز، بنکرز اور دیگر سٹیک ہولڈرز کی جانب سے کمپنی پر بھروسہ اور اعتماد کو خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



مصطفیٰ اے۔ چنائے

چیئر مین

کراچی: 30 جنوری 2018ء

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 2017 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 accounts 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 matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 December 2017 have not been reviewed and we do not express a conclusion on them.

Date: 30 January 2018

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Pirani

CONDENSED INTERIM BALANCE SHEET As At 31 December 2017

		(Unaudited) 31 December 2017	(Audited) 30 June 2017
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,158,792	2,166,066
Intangible assets		6,127	7,054
Investment in an associated company	5	88,916	76,648
Long-term loans receivable		5,409	2,380
Total non current assets		2,259,244	2,252,148
CURRENT ASSETS			
Stores and spares		52,957	61,435
Stock-in-trade	6	2,103,886	1,914,835
Trade debts	7	1,609,116	1,318,916
Short-term loans and advances	8	33,786	19,681
Short-term deposits and prepayments		50,987	38,309
Other receivables		25,654	30,545
Advance tax - net of provisions		40,849	101,388
Cash and bank balances	9	118,450	52,470
Total current assets		4,035,685	3,537,579
TOTAL ASSETS		6,294,929	5,789,727
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		500,000	300,000
500,000,000 (2017: 300,000,000) ordinary shares of Rs. 10 each	10	500,000	300,000
Share capital		284,623	284,623
Share premium reserve		527,800	527,800
General reserves		1,138,000	926,000
Unappropriated profit		187,696	270,023
		2,138,119	2,008,446
Surplus on revaluation of assets (land and building) - net of tax		1,097,612	1,103,112
NON-CURRENT LIABILITIES			
Long-term loans	11	163,750	198,125
Deferred liability for staff gratuity		29,849	29,154
Other long-term employee benefits		40,867	35,258
Deferred tax liability - net	12	43,251	58,487
Total non current liabilities		277,717	321,024
CURRENT LIABILITIES			
Current portion of long-term loans	11	68,750	64,375
Trade and other payables	13	1,203,143	1,359,031
Short-term borrowings	14	1,484,241	921,995
Mark-up accrued on bank borrowings		25,347	11,744
Total current liabilities		2,781,481	2,357,145
CONTINGENCIES AND COMMITMENTS			
	15		
TOTAL EQUITY AND LIABILITIES		6,294,929	5,789,727

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2017

	Note	Six months period ended		Three months period ended	
		31 December 2017 (Rupees in '000)	31 December 2016	31 December 2017 (Rupees in '000)	31 December 2016
Net Sales		4,459,165	4,076,693	2,462,142	2,206,191
Cost of sales		(3,825,652)	(3,477,593)	(2,121,566)	(1,888,348)
Gross profit		633,513	599,100	340,576	317,843
Marketing, selling and distribution costs	16	(213,364)	(207,002)	(127,916)	(114,182)
Administrative expenses	17	(129,540)	(107,633)	(70,932)	(56,016)
		(342,904)	(314,635)	(198,848)	(170,198)
Finance costs		(65,816)	(32,986)	(32,674)	(16,292)
Other expenses	18	(17,423)	(22,491)	(8,677)	(13,051)
		(83,239)	(55,477)	(41,351)	(29,343)
Other income	19	19,624	27,459	13,945	22,540
Share of profit from associate under the equity basis of accounting		6,800	3,707	3,165	3,707
Profit before income tax		233,794	260,154	117,487	144,549
Taxation	20	(52,390)	(80,725)	(24,715)	(44,701)
Profit for the period		181,404	179,429	92,772	99,848
		(Rupees)		(Rupees)	
Earnings per share - Basic and diluted	21	6.37	6.30	3.26	3.51

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2017**

	Six months period ended		Three months period ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	(Rupees in '000)		(Rupees in '000)	
Profit after tax for the period	181,404	179,429	92,772	99,848
Other Comprehensive income:				
<i>Items that will not be reclassified to profit and loss account</i>				
Share of other comprehensive income from the associated company	(140)	-	11	-
Total comprehensive income - transferred to statement of changes in equity	<u>181,264</u>	<u>179,429</u>	<u>92,783</u>	<u>99,848</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2017**

	Note	Six months period ended	
		31 December 2017	31 December 2016
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	22	(229,098)	103,152
Payment of staff retirement gratuity		(1,395)	(529)
Finance costs paid		(52,213)	(28,654)
Taxes paid - net		(7,057)	(73,424)
Long-term loans receivable		(3,029)	(100)
Long-term deposits and prepayments		-	3,124
Net cash flows from operating activities		<u>(292,792)</u>	<u>3,569</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(96,863)	(141,632)
Proceeds from disposal of fixed assets		171	1,992
Dividend received from an associate		1,152	2,016
Net cash flows from investing activities		<u>(95,540)</u>	<u>(137,624)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan received		-	35,000
Repayment of long-term loan		(30,000)	(6,250)
Net increase in short-term borrowings		436,630	213,257
Dividend paid		(77,934)	(125,367)
Net cash flows from financing activities		<u>328,696</u>	<u>116,640</u>
Net decrease in cash and cash equivalents		<u>(59,636)</u>	<u>(17,415)</u>
Cash and cash equivalents at beginning of the year		<u>(245,999)</u>	<u>(145,198)</u>
Cash and cash equivalents at end of the period	23	<u><u>(305,635)</u></u>	<u><u>(162,613)</u></u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2017**

	Share capital	Capital Reserves	Revenue Reserve		Total
		Share premium reserve	General reserves	Unappropriated profit	
(Rupees in '000)					
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
- Other comprehensive income for the period - net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	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 (incremental depreciation)	-	-	-	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	<u>284,623</u>	<u>527,800</u>	<u>926,000</u>	<u>184,950</u>	<u>1,923,373</u>
Balance as at 01 July 2017	284,623	527,800	926,000	270,023	2,008,446
Total comprehensive income for the six months period ended 31 December 2017					
- Profit for the period	-	-	-	181,404	181,404
- Other comprehensive income for the period - net of tax	-	-	-	(140)	(140)
Total comprehensive income	-	-	-	181,264	181,264
Transfer to general reserve for the year ended 30 June 2017	-	-	212,000	(212,000)	-
Transferred from surplus on revaluation of building during 01 July 2017 to 31 December 2017 - net of deferred tax (incremental depreciation)	-	-	-	5,334	5,334
Transactions with owners - recorded directly in equity					
Final cash dividend for the year ended 30 June 2017 @ Rs. 2.00 per share	-	-	-	(56,925)	(56,925)
Balance as at 31 December 2017	<u>284,623</u>	<u>527,800</u>	<u>1,138,000</u>	<u>187,696</u>	<u>2,138,119</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Unaudited) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2017

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 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

2.1 Statement of compliance

2.1.1 These condensed interim financial information of the Company for the six months period ended 31 December 2017 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under repealed the Companies Ordinance, 1984 have been followed.

2.1.2 Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 which has its own set of disclosures. However, SECP vide their circular No. 23 / 2017 dated 4 October 2017 (read with a clarification issued by the Institute of Chartered Accountants of Pakistan on 6 October 2017), has directed that companies preparing financial statements for the periods ending on or before 31 December 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 These condensed interim financial information are unaudited and are being submitted to the shareholders as required under section 245 of the repealed Companies Ordinance, 1984 (section 237 of the Companies Act, 2017) and the listing regulations of the Pakistan Stock Exchange Limited. These condensed interim financial information comprise of the balance sheet as at 31 December 2017 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 2017 which have been subjected to a review but not audited.

2.3 The comparative balance sheet presented in these condensed interim financial information as at 30 June 2017 has been extracted from the audited financial statements of the Company for the year ended 30 June 2017, 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 2016 have been extracted from the unaudited condensed interim financial information for the period then ended.

2.4 These condensed interim financial information 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 ended 30 June 2017.

2.5 These condensed interim financial information 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.

2.6 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except that land and building are stated at fair values determined by an independent valuer.

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 information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2017.

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 information 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 2017.

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 2017	(Unaudited) 31 December 2016
(Rupees in '000)			
Additions			
Plant and machinery		17,680	26,715
Office equipment and appliances		3,714	6,650
Vehicles		4,466	1,453
Capital work in progress	4.1	67,804	105,214
Furniture and Fixture		1,954	1,535
Buildings		251	-
Others		994	65
		<u>96,863</u>	<u>141,632</u>
Disposals (cost)		<u>(218)</u>	<u>(3,315)</u>

- 4.1 This includes advance of Rs 3.05 million for the purchase of vehicles and Rs 63.35 million representing the purchase of plant and machinery.
5. This represents investment of 576,000 (30 June 2017: 576,000) fully paid ordinary shares of Rs. 10 each in International Industries Limited (IIL). The market value of investment as of 31 December 2017 amounted to Rs. 138.303 million (30 June 2017: Rs. 212.296 million).

Above associate has been equity accounted for up to 30 September 2017. The management does not expect the results of operations for the 3 months ended 31 December 2017 to be material.

	Note	(Unaudited)	(Audited)
		31 December 2017	30 June 2017
(Rupees in '000)			
6. STOCK-IN-TRADE			
Raw materials [including Rs. 301.0 million in transit (30 June 2017: Rs. 224.1 million)]	6.1 & 6.3	880,754	917,039
Work-in-process	6.2	502,366	476,583
Finished goods	6.2	647,724	485,427
Scrap		73,042	35,786
		<u>2,103,886</u>	<u>1,914,835</u>

- 6.1 Raw material includes slow moving items carried at Rs. Nil (30 June 2017: Rs. Nil) as against their cost of Rs. 29,513 million (30 June 2017: Rs. 26,491 million).

- 6.2 Work-in-process and finished goods include slow moving items aggregating Rs. 15.7 million (30 June 2017: Rs. 10.6 million) and Rs. 22.3 million (30 June 2017: Rs. 18.2 million) respectively stated at their net realizable values against their cost of Rs. 15.9 million (30 June 2017: Rs. 11.4 million) and Rs. 36.4 million (30 June 2017: Rs. 33.5 million) respectively.

	<i>Note</i>	(Unaudited) 31 December 2017	(Audited) 30 June 2017
(Rupees in '000)			
6.3 Provision against raw material			
Balance as at 01 July		26,491	14,238
Charge during the period		3,022	12,253
Balance as at 31 December 2017		<u>29,513</u>	<u>26,491</u>
7. TRADE DEBTS			
Unsecured and non-interest bearing			
Considered good			
Due from related parties		186,124	181,975
Others		1,422,992	1,136,941
		<u>1,609,116</u>	<u>1,318,916</u>
Considered doubtful			
Others		55,714	48,066
		<u>1,664,830</u>	<u>1,366,982</u>
Provision for doubtful trade debts		(55,714)	(48,066)
		<u>1,609,116</u>	<u>1,318,916</u>
8. SHORT-TERM LOANS AND ADVANCES			
Unsecured and non-interest bearing			
Considered good			
Current portion of long term loans		2,424	1,733
Short-term advances to employees		2,174	2,437
Advances to suppliers		29,188	15,511
		<u>33,786</u>	<u>19,681</u>
9. CASH AND BANK BALANCES			
With banks - in current accounts		104,330	45,417
- profit and loss sharing account		13,758	6,714
Cash in hand		362	339
		<u>118,450</u>	<u>52,470</u>
10. AUTHORIZED CAPITAL			
During the period, authorized capital of the Company was increased from Rs. 300 million to Rs. 500 million.			
11. LONG TERM LOANS - secured			
Loans from financial institutions	<i>11.1</i>	232,500	262,500
Current portion shown under current liabilities		(68,750)	(64,375)
		<u>163,750</u>	<u>198,125</u>

- 11.1 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 6.75% to 6.80% per annum (30 June 2017: 6.72% to 6.80% 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 2017: total facility available of Rs. 350 million of which the amount unutilised as at that date was Rs. 75 million).

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

12. DEFERRED TAX LIABILITY - net	(Unaudited)	(Audited)
	31 December 2017	30 June 2017
	(Rupees in '000)	
Taxable temporary differences on		
Accelerated tax depreciation	79,050	90,086
Surplus on revaluation of building on leasehold land	84,589	86,875
Share of surplus on revaluation of land and building of the associated company	1,454	1,484
Share of profit of an equity accounted associated company	4,298	3,451
	<u>169,391</u>	<u>181,896</u>
Deductible temporary differences on		
Provision for staff retirement benefit	(8,964)	(8,756)
Provision for doubtful trade debts	(16,714)	(14,420)
Provision for slow-moving stores and spares	(1,848)	(1,619)
Provision for import levies and other provisions	(98,614)	(98,614)
	<u>(126,140)</u>	<u>(123,409)</u>
	<u>43,251</u>	<u>58,487</u>

- 12.1 Reduction in deferred tax liability by Rs. 15.2 million (six months period ended 31 December 2016: Rs. 38.5 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.

13. TRADE AND OTHER PAYABLES	Note	(Unaudited)	(Audited)
		31 December 2017	30 June 2017
		(Rupees in '000)	
Creditors	13.1	335,343	343,281
Accrued expenses		335,644	408,344
Advances from customers		186,108	278,796
Security deposits from distributors and employees	13.2	14,183	13,077
Payable to staff provident fund - related party		2,710	2,118
Provision for import levies		235,852	217,980
Workers' profit participation fund		12,041	-
Workers' welfare fund		4,718	11,910
Sales tax payable		47,280	36,814
Withholding income tax payable		6,128	3,036
Unclaimed dividend		21,684	42,693
Others		1,452	982
	13.3	<u>1,203,143</u>	<u>1,359,031</u>

- 13.1 This includes liability for stock in transit amounting to Rs. 226.89 million (30 June 2017: Rs. 182.793 million).
- 13.2 This includes security deposits from distributors under mark-up arrangements amounting to Rs. 5 million (30 June 2017: Rs. 5 million) and carries mark-up at 6% per annum.
- 13.3 All the above liabilities are non-interest bearing except as disclosed in note 13.2 above.

14. SHORT-TERM BORROWINGS

	Note	(Unaudited) 31 December 2017	(Audited) 30 June 2017
(Rupees in '000)			
From banking companies - secured			
Running musharka under Shariah arrangement		96,807	65,722
Running finance under mark-up arrangements		327,278	232,747
Running finance from banks	14.1	424,085	298,469
Short term finances under mark-up arrangement	14.2	1,060,156	278,498
Foreign currency import finance under mark-up arrangement	14.3	-	345,028
		<u>1,484,241</u>	<u>921,995</u>

14.1 Running finance from banks

Running Musharaka under Shariah arrangement carries mark-up at 6.55% per annum (30 June 2017: 6.52% per annum) and the available facility is Rs. 300 million. At 31 December 2017, the facility unutilised was Rs. 203.193 million.

The Company has also arranged short-term running finance facilities under mark-up arrangements from certain banks. Overall facility for these running finances under mark-up arrangements amounts to Rs. 2,450 million (30 June 2017: Rs. 1,850 million). Rate of mark up on these running finance facilities under mark up arrangements ranges between 6.30% to 7.28% (30 June 2017: 7.02% to 7.27% per annum) net of prompt payment rebate. The facilities will expire between 31 December 2017 to 31 July 2018 and are renewable.

14.2 Short term finances under mark-up arrangement

The amount outstanding against the short term finance facility as at 31 December 2017 available from certain banks was Rs. 1,060.2 million (30 June 2017: Rs. 278.5 million) earmarked out of total running finance facilities of Rs. 2,245 million obtained from these banks and letter of credit facilities of Rs. 500 million. Total facility available under this arrangement amounts to Rs. 3,080 million (30 June 2017: Rs. 2,769 million) which is a sub limit of above running finance limit and letter of credit limit. Mark-up on short term finance is agreed at each disbursement and as at 31 December 2017, it ranged between 6.16% to 6.41% per annum (30 June 2017: 6.15% to 6.44% per annum). These are payable latest by 02 January 2018.

14.3 Foreign currency import finance under mark-up arrangement

Total facility available under this arrangements amounts to Rs. 2,045 million (30 June 2017 : Rs. 1,945 million) which is a sub limit of above running finance limit.

14.4 Other facilities

The facility for opening letters of credit and guarantees as at 31 December 2017 amounted to Rs. 2,770 million including Rs. 705 million relating to the guarantees (30 June 2017 : Rs. 2,530 million including Rs. 603 million relating to guarantees) of which the amount remaining unutilized as at that date was Rs. 2,294 million including Rs. 342 million relating to the guarantees (30 June 2017: Rs. 2,074 million including Rs. 249 million relating to guarantees).

14.5 Securities

Above arrangements are secured by way of joint pari passu hypothecation over stocks, stores and spares and present and future trade debts of the Company of Rs. 4,840 million and a ranking charge of Rs. 235 million for the facilities availed from Bank AL Habib Limited.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 2.1 million (30 June 2017: Rs. 1.461 million) against partial exemption of import levies.
- Bank guarantees amounting to Rs. 363 million (30 June 2017: Rs. 354 million) have been given to various parties for contract performance, tender deposits, import levies, etc.

15.2 Commitments

- a) Aggregate commitments for capital expenditure as at 31 December 2017 amounted to Rs.113.103 million (30 June 2017: Rs. 123.942 million).
- b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 31 December 2017 amounted to Rs. 29.2 million (30 June 2017: Rs. 46.4 million). These are in respect of the Letters of credit opened before the period end but no shipment by then had been made.

16. MARKETING, SELLING AND DISTRIBUTION COSTS

	Six months period ended	
	(Unaudited) 31 December 2017	(Unaudited) 31 December 2016
	(Rupees in '000)	
Salaries, wages and benefits	57,381	44,068
Rent, rates and taxes	7,340	15,580
Commission	659	878
Repairs and maintenance	1,149	1,429
Communication and stationary	2,137	2,314
Training, travelling and entertainment	9,997	7,536
Advertising and publicity	61,287	65,489
Carriage and forwarding expense	62,422	61,053
Depreciation	5,288	4,736
Subscription	978	767
Insurance	902	815
Other expenses	3,824	2,337
	<u>213,364</u>	<u>207,002</u>

17. ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	83,618	71,253
Office rent	2,351	3,124
Insurance	761	922
Repairs and maintenance	4,433	3,045
Legal and professional	7,962	6,800
Auditors' remuneration	979	996
Communication and stationary	4,040	3,341
Provision of doubtful trade debts	7,767	850
Training, travelling and entertainment	2,049	3,391
Depreciation	4,936	5,988
Amortization	2,912	2,828
Donations	2,975	-
Other expenses	4,757	5,095
	<u>129,540</u>	<u>107,633</u>

18. OTHER EXPENSES

Liquidated damages for late deliveries	164	3,301
Workers' profits participation fund	12,541	13,968
Workers' welfare fund	4,718	5,222
	<u>17,423</u>	<u>22,491</u>

19. OTHER INCOME

This includes scrap sales of Rs. 6.8 million (six months period ended 31 December 2016 : Rs. 10.2 million) and reversal of impairment loss of Rs. 6.96 million (six months period ended 31 December 2016: Rs. 14.8 million) on investment in an associated company.

20. TAXATION

	Six months period ended	
	(Unaudited)	(Unaudited)
	31 December	31 December
	2017	2016
	(Rupees in '000)	
Current - for the period	77,385	119,230
Prior year	(9,788)	-
Deferred - due to changes in temporary differences - net	<u>(15,207)</u>	<u>(38,505)</u>
	<u>52,390</u>	<u>80,725</u>

- 20.1** 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, which was amended through Finance Act, 2017 and applicable for tax year 2017 and onwards. The amendment has imposed tax at seven and a half percent of the accounting profit before tax on every public company other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least 40 percent of its after tax profit within six months of the end of the tax year through cash or bonus.

The Company intends to distribute sufficient dividend for the accounting year ending 30 June 2018 to comply with the above stated requirement. Accordingly, no provision for taxation has been recognised in these interim financial information.

- 20.2** A notice for the tax year 2016 was received by the Company during the period indicating certain disallowances and add backs. The Company has responded to the above notice and do not expect any material financial impact.
- 20.3** For details of another tax related appeal please refer to note 31.4 of the annual financial statements for the year ended 30 June 2017. However, the status of appeal remains unchanged since that reporting.

21. EARNINGS PER SHARE - Basic and diluted

	Six months period ended		Three months period ended	
	(Unaudited)		(Unaudited)	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	(Rupees in '000)		(Rupees in '000)	
Profit after taxation	<u>181,404</u>	<u>179,429</u>	<u>92,772</u>	<u>99,848</u>
	(Number of shares)		(Number of shares)	
Weighted average number of ordinary shares issued and subscribed at the end of the period	<u>28,462,376</u>	<u>28,462,376</u>	<u>28,462,376</u>	<u>28,462,376</u>
	(Rupees)		(Rupees)	
Earnings per share - basic and diluted	<u>6.37</u>	<u>6.30</u>	<u>3.26</u>	<u>3.51</u>

	Six months period ended	
	(Unaudited)	(Unaudited)
	31 December	31 December
	2017	2016
	(Rupees in '000)	
22. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	233,794	260,154
Adjustments for non cash charges and other items:		
- Depreciation	102,102	93,262
- Amortization	2,912	2,828
- Provision for staff gratuity	2,089	1,997
- Other long-term employee benefits	5,609	2,137
- Gain on disposal of fixed assets	(121)	(995)
- Share of profit from associate	(6,800)	(3,707)
- Reversal of impairment loss on investment in associate	(6,955)	(14,776)
- Finance costs	65,816	32,986
Working capital changes:		
<i>(Increase) / decrease in current assets</i>		
- Stores and spares	8,478	(4,513)
- Stock-in-trade	(189,051)	(51,587)
- Trade debts	(290,200)	(164,806)
- Short-term loans and advances	(14,105)	(9,157)
- Short-term deposits and payments	(12,678)	9,803
- Other receivables	4,891	320
	(492,665)	(219,940)
<i>Decrease in current liabilities</i>		
Trade and other payables - net	(134,879)	(50,794)
	(627,544)	(270,734)
	(229,098)	103,152
	(Unaudited)	(Unaudited)
	As at	As at
	31 December	31 December
	2017	2016
	(Rupees in '000)	
23. CASH AND CASH EQUIVALENTS		
Cash and bank balances	118,450	49,751
Running finance under mark-up agreements from banks	(424,085)	(212,364)
	(305,635)	(162,613)
24. TRANSACTIONS WITH RELATED PARTIES		
<p>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.</p>		
<p>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.</p>		
<p>Details of transactions with related parties other than those which have been specifically disclosed elsewhere in these condensed interim financial information are as follows:</p>		

	Six months period ended	
	(Unaudited)	(Unaudited)
	31 December	31 December
Transactions with related parties:	2017	2016
	(Rupees in '000)	
<i>Associated undertaking</i>		
Sale of goods	554,325	426,094
Purchase of goods, services and materials	1,030	27,831
Insurance premium	856	1,168
Insurance claim received	500	-
Donation	2,000	-
Liquidated damages for late deliveries	-	11
Dividend received	1,152	2,016
Dividends paid	22,947	42,417
Loan to the executive director	-	1,296
Directors' fee	1,050	1,050
Share of total comprehensive income of an associated company under the equity basis of accounting	6,660	3,707
<i>Other related parties</i>		
Remuneration of key management personnel	74,890	64,101
Net charge in respect of staff retirement defined benefit plan (pension scheme)	2,364	2,730
Contribution to the provident fund	7,099	5,719

	Note	(Unaudited)	(Audited)
		As at	As at
		31 December	30 June
Balances with related parties:		2017	2017
		(Rupees in '000)	
<i>Associated undertakings</i>			
Retirement benefits plan receivable - net (pension scheme)		25,248	27,612
Defined contribution plan payable (provident fund)		2,710	2,118
Directors' fee payable		700	1,350
Dividend receivable from related party		-	2,268
Loan receivable from the executive director (including interest)	24.1	857	1,039
Loan receivable from executives (including interest)		2,000	366
Creditors		-	775

- 24.1 This loan carries interest at 8% per annum. Securities and Exchange Commission of Pakistan has given its approval for the loan. The loan is repayable in 37 monthly instalments. Original disbursement was Rs 1.296 million.

25. 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 2017			Fair value Total
	Carrying Amount			
	Loans and receivables	Other financial assets	Total	
----- (Rupees in '000) -----				
Financial instruments				
Financial assets not measured at fair value				
Trade debts	1,609,116	-	1,609,116	-
Loans, advances and deposits	37,350	-	37,350	-
Other receivable	406	-	406	-
Cash and bank balances	118,088	362	118,450	-
	<u>1,764,960</u>	<u>362</u>	<u>1,765,322</u>	<u>-</u>

	31 December 2017			Fair value Total
	Carrying Amount			
	Loans and receivables	Financial liabilities	Total	
----- (Rupees in '000) -----				
Financial liabilities not measured at fair value				
Long term loans	-	232,500	232,500	-
Trade and other payables	-	549,108	549,108	-
Short term borrowings	-	1,484,241	1,484,241	-
Mark-up accrued on banks borrowings	-	25,347	25,347	-
	<u>-</u>	<u>2,291,196</u>	<u>2,291,196</u>	<u>-</u>

	30 June 2017			Fair value Total
	Carrying Amount			
	Loans and receivables	Other financial assets	Total	
----- (Rupees in '000) -----				
Financial instruments				
Financial assets not measured at fair value				
Trade debts	1,318,916	-	1,318,916	-
Loans, advances and deposits	36,855	-	36,855	-
Other receivable	2,433	-	2,433	-
Cash and bank balances	52,131	339	52,470	-
	<u>1,410,335</u>	<u>339</u>	<u>1,410,674</u>	<u>-</u>

Financial liabilities not measured at fair value	30 June 2017			Fair value
	Carrying Amount		Total	
	Loans and receivables	Financial liabilities		Total
	(Rupees in '000)			
Long term loans	-	262,500	262,500	-
Trade and other payables	-	656,950	656,950	-
Short term borrowings	-	921,995	921,995	-
Mark-up accrued on banks borrowings	-	11,744	11,744	-
	-	1,853,189	1,853,189	-

The Company has not disclosed the fair values for these 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 inputs and fair value measurement
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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.
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26. OPERATING SEGMENTS

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

- 26.1 Revenue from cables & wires represents 99.8% (30 June 2017 : 97%) of the total revenue of the company.
- 26.2 Sales represent local sales of Rs 4,450.86 million (31 December 2016: Rs 4,066.97 million) and export sales of Rs 8.31 million (31 December 2016: Rs. 9.72 million). The export represents sales to South Africa and United Arab Emirates amounting to Rs 6 million and Rs 2.31 million respectively. (31 December 2016: sales to Afghanistan and South Africa amounting to Rs. 3.54 million and Rs. 6.18 million respectively).
- 26.3 All non-current assets of the Company at 31 December 2017 are located in Pakistan. The Company does not have any customer having sales of 10% or more during the period ended 31 December 2017 (30 June 2017: Nil).

27. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 30 June 2017.

28. GENERAL

28.1 Date of authorisation for issue

These condensed interim financial information were authorised for issue on 30 January 2018 by the Board of Directors of the Company.

28.2 Non-adjusting event after the balance sheet date

The Board of Directors in their meeting held on 30 January 2018 approved an interim cash dividend of Rs. 2.50 per share (31 December 2016: Rs. 1.5 per share) amounting to Rs. 71.156 million (31 December 2016: Rs. 42.694 million). The interim financial information for the six months period ended 31 December 2017 do not include the effect of the interim cash dividend, which will be recognised in the financial statements for the year ending 30 June 2018.



Chief Executive



Director



Chief Financial Officer

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