Together towards tomorrow

Pakistan Cables Limited
Annual Report 2012

Pakistan Cables
a General Cable affiliate
Trusted not to compromise

Contents

General Cable produces NSW® high-voltage submarine power cable at its manufacturing facility in Nordenham, Germany, and provides complete turnkey cable system solutions for offshore oil, gas and wind industries.

Medium-voltage power cable is loaded on a flat-bed truck at General Cable's Du Quoin, Illinois, U.S.A. plant for shipment to an electric utility customer.

General Cable's Technology Center in Marshall, Texas, U.S.A., is a world-class testing and analytical center with the focus of energy cable technology.

For over one century, General Cable's Nordenham, Germany, manufacturing facility has been acquiring unsurpassed experience and a proven track record in the production of NSW® medium- and high-voltage submarine cable.

Together towards tomorrow

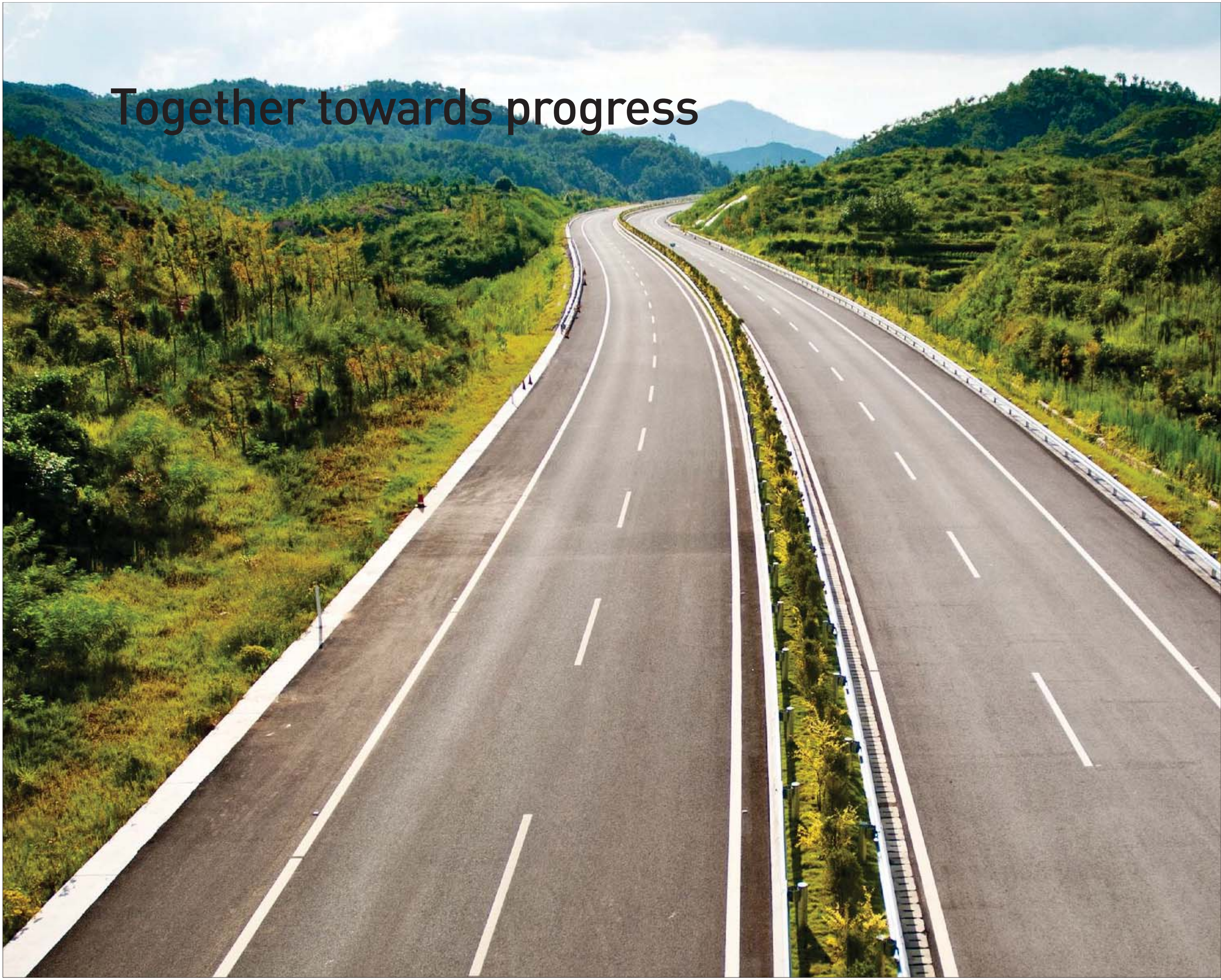
Pakistan Cables prides itself at being the best in its business but is always looking at ways to move forward. We continue to be an innovative company, having being the first to introduce many types of cable in Pakistan. Our partnership with General Cable Corporation, one of the worlds largest cable manufacturers and a Fortune 500 company, is a new phase in our evolution that will propel us ahead of our competition by allowing us to enhance our value proposition to the customer. Our tradition of quality is now complemented by the ability to offer a range of product that has never been available in the Pakistani market before. We are also able to leverage our affiliation with General Cable to become a more efficient organization, to enhance our management best practices to international standards, to develop new markets and to access world class technical resources.

In this annual report, we celebrate our partnership with General Cable.

General Cable offers a fully-integrated approach to providing a comprehensive range of high-quality Silec® High- and Extra-High-Voltage underground cable systems with voltages up to 500 kV to bring power from the grid to major urban areas anywhere in the world.

General Cable is a key supplier of wire and cable for rail infrastructure projects and rolling stock.

General Cable products are tested in the required methods, including dielectric strength and capacitance.


Together towards progress

Vision

To be the company of first choice for customers & partners for Wire and Cables and other engineering products.

Mission

To strengthen industry leadership in the manufacturing and marketing of wires and cables and to have a strong presence in the engineering products market while retaining the options to participate in other profitable businesses.

To operate ethically while maximizing profits and satisfying customers' needs and stakeholders' interests.

To assist in the socio-economic development of Pakistan by being good corporate citizens.

Together towards efficiency

Code of Conduct

- This Code of Conduct applies to all employees of M/s Pakistan Cables Ltd (PCL) – hereby named as the "Company".
- For the purposes of this Code, "employees" refers to directors, executives, officers, and employees of the Company.
- The Board and Management are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility and not to transgress them.
- All employees should be sure that they understand and abide by the spirit as well as the letter of this Code and that violation of any of the Code's provisions could result in disciplinary action.

Salient features of the company's code of conduct are as below:

A. Business Ethics

i. The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings showing respect for the interest of all stakeholders.
ii. The Company is dedicated to providing a safe and non discriminatory working environment for all employees.
iii. The Company does not support any political party or contributes funds to groups whose activities promote political interests.
iv. The Company is committed to provide products, which consistently offer value in terms of price and quality and are safe for their intended use, to satisfy customer needs and expectations.
v. The Company is committed to run its business in an environmentally sound and sustainable manner and promote preservation of the environment.

B. Conflicts Of Interest

i. Every employee should conduct his/ her personal and business affairs in a manner such that neither a conflict, nor the appearance of a conflict, arises between those interests and the interests of the Company.

ii. An employee should avoid any situation in which he or she, or a family member, might profit personally (directly or indirectly), from the Company's facilities, its products, or Company's relationship with its vendors or customers.

iii. An employee should not permit himself/ herself (or members of his/ her family) to be obligated (other than in the course of normal banking relationships) to any organization or individual with whom the Company has a business relationship. However, business lunches, dinners or social invitations, nominal giveaways like key chains, calendars, etc. and attendance at conferences and seminars would not be considered a violation of this Code.

iv. In case an employee is offered or receives something of value which he/she believes may be impermissible under this Code, he /she should disclose the matter.

v. All employees should avoid any kind of bribery, extortion and all other forms of corruption.

vi. Conflict of interest should be avoided and disclosed where they exist and guidance should be sought from superiors.

C. Accounting Records, Controls & Statements

i. All books, records, accounts and statements should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations.

ii. Employees are expected to sign only documents or records which they believe to be accurate and truthful

D. Environment

i. The Company is committed to carry its business in an environmentally sound and sustainable manner and promote preservation of the environment.

ii. All employees are required to adhere strictly to all applicable environmental laws and regulations that impact Company's operations.

E. Regulatory Compliance

i. The Company is committed to make prompt public disclosure of "material information" regarding the Company as prescribed in the Karachi Stock Exchange Regulations.

ii. Where an employee is privy to the information, which is generally referred to as "material inside information", the same must be held in the strictest confidence by the employee involved until it is publicly released.

iii. The employees shall abide by the appropriate Competition Laws and shall not enter into understandings, arrangements, or agreements with competitors which have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers.

F. Personal Conduct

i. All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on Company business.

ii. All employees should avoid any kind of bribery, extortion and all other forms of corruption.

iii. Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.

iv. Any legally prohibited or controlled substances if found in the possession of any employee will be confiscated and where appropriate, turned over to the authorities

Company Information

Board of Directors

Towfiq H. Chinoy	Non-Independent Non-Executive Director	Chairman	Director since 1996
Syed Naseem Ahmad	Non-Independent Non-Executive Director		Director since 1999
Mustapha A. Chinoy	Non-Independent Non-Executive Director		Director since 1986
Ernest Kenneth Sy Cuyegkeng	Non-Independent Non-Executive Director		Director since 2010
Roderick Macdonald	Non-Independent Non-Executive Director		Director since 2010
Haroun Rashid	Non-Independent Non-Executive Director		Director since 1993
Saquib H. Shirazi	Independent Non-Executive Director		Director since 2008
Shahid Aziz Siddiqui	Independent Non-Executive Director		Director since 2010
Kamal A. Chinoy	Executive Director	Chief Executive	Director since 1992

Company Secretary

Aslam Sadruddin

Legal Advisor

Ghulam Ghous Law Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

Standard Chartered Bank (Pakistan) Limited
Bank Al Habib Limited
Habib Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
NIB Bank Limited
Oman International Bank

Registered Office,

Factory and Marketing Office

B/21, Sindh Industrial Trading Estates,
P. O. Box 5050, Karachi -75700
Telephone Nos. (021) 32561170-75
Fax: (021) 32564614
E-mail: info@pakistancables.com
sales@pakistancables.com
Web site: www.pakistancables.com

Regional Office

Lahore

Co-operative Insurance Building,
Shahrah-e-Quaid-e-Azam, Lahore
Telephone Nos. (042) 37355783, 37353520, 37120790-91
Fax: (042) 37355480
E-mail: lahore@pakistancables.com

Rawalpindi

455-A, Adamjee Street, Rawalpindi
Telephone Nos. (051) 5125429, 5512797, 5125202
Fax: (051) 5587029
E-mail: pindi@pakistancables.com

Branch Offices

Multan

1592, Quaid-e-Azam Shopping Centre No.1,
Aziz Shaheed Road, Multan Cantt.
Telephone No: (061) 4583332, 4504446
Fax: (061) 4549336
E-mail: multan@pakistancables.com

Abbottabad

13-14, Sitara Market, Mansehra Road, Abbottabad.
Telephone No. (0992) 383616
Fax: (0992) 385510
E-mail: abbottabad@pakistancables.com

Peshawar

Shop # 1 & 2, 1st Floor, Hurmaz Plaza,
Opp. Airport Runway, Tambwan More,
University Road, Peshawar
Telephone No. (091) 5845068
Fax: (091) 5846314
E-mail: peshawar@pakistancables.com

Muzaffarabad

50-1B, Commercial Area,
Upper Chattar, Muzaffarabad
Telephone No. (05822) 432088
Fax: (05822) 432092
E-mail: muzaffarabad@pakistancables.com



Our Products

Wires & Cables
Aluminium Sections
Copper Rod
PVC Compound

Wires & Cables

Pakistan Cables Limited, the country's oldest and most reputable cable manufacturer, was established over 5 decades ago in 1953 in collaboration with BICC, UK. In the subsequent five decades, Pakistan Cables has earned a reputation as a market leader in the industry and a company that does not compromise on quality. Consequently, the Company has gained a position as being the premier cable manufacturer in the country. Pakistan Cables is listed on Karachi Stock Exchange since 1955. In 2010 General Cable Corporation, a Fortune 500 company and global leader in cable manufacturing invested in Pakistan Cables by taking up a 25% equity stake in the company.

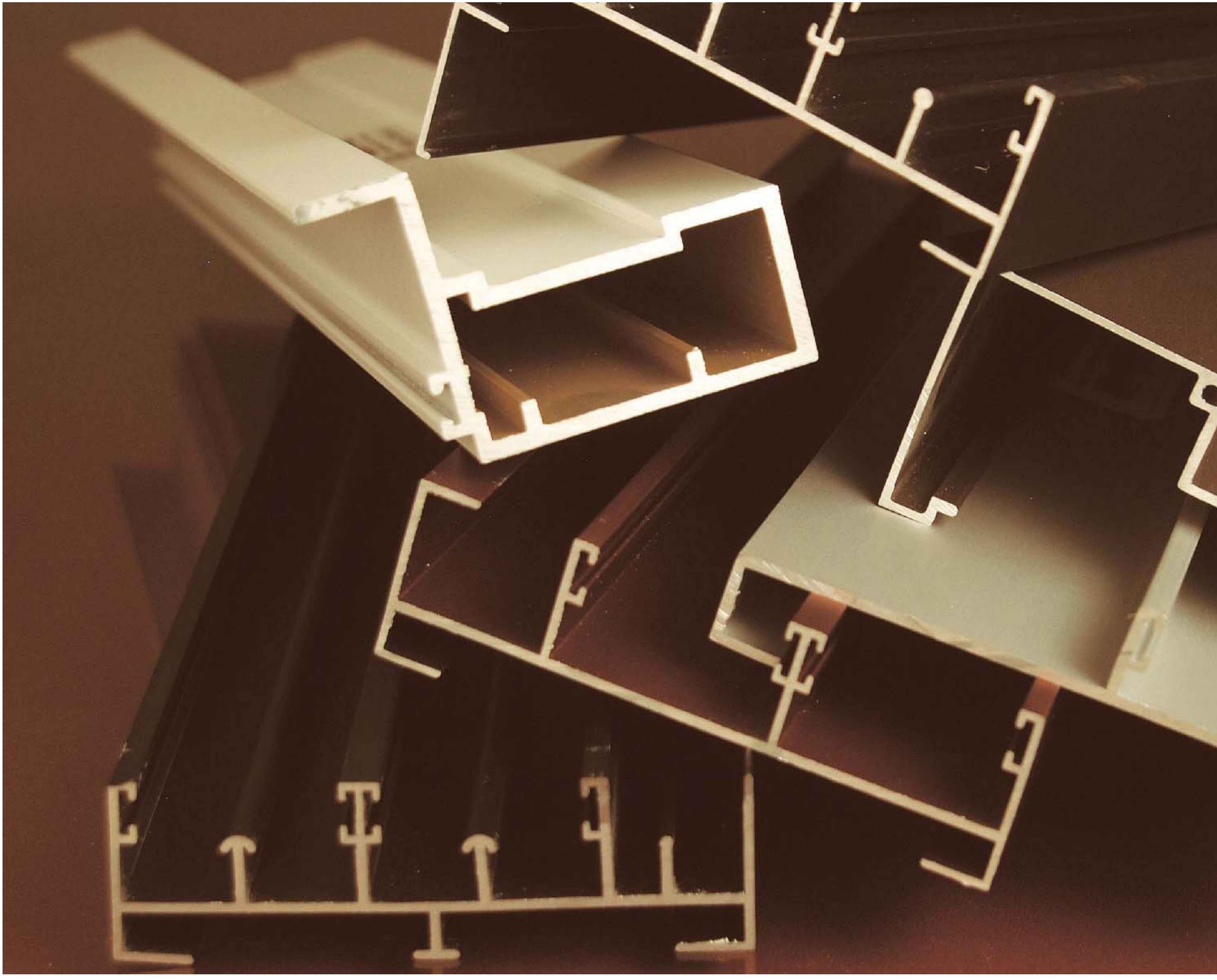
For lighting and general use, we manufacture General Wiring Cables in the range of 250/750 Volts, in conformity with national & international standards. These cables provide safety and savings in electricity consumption because of the use of 99.99% pure copper, cable grade PVC and thorough quality tests on every meter of cable.

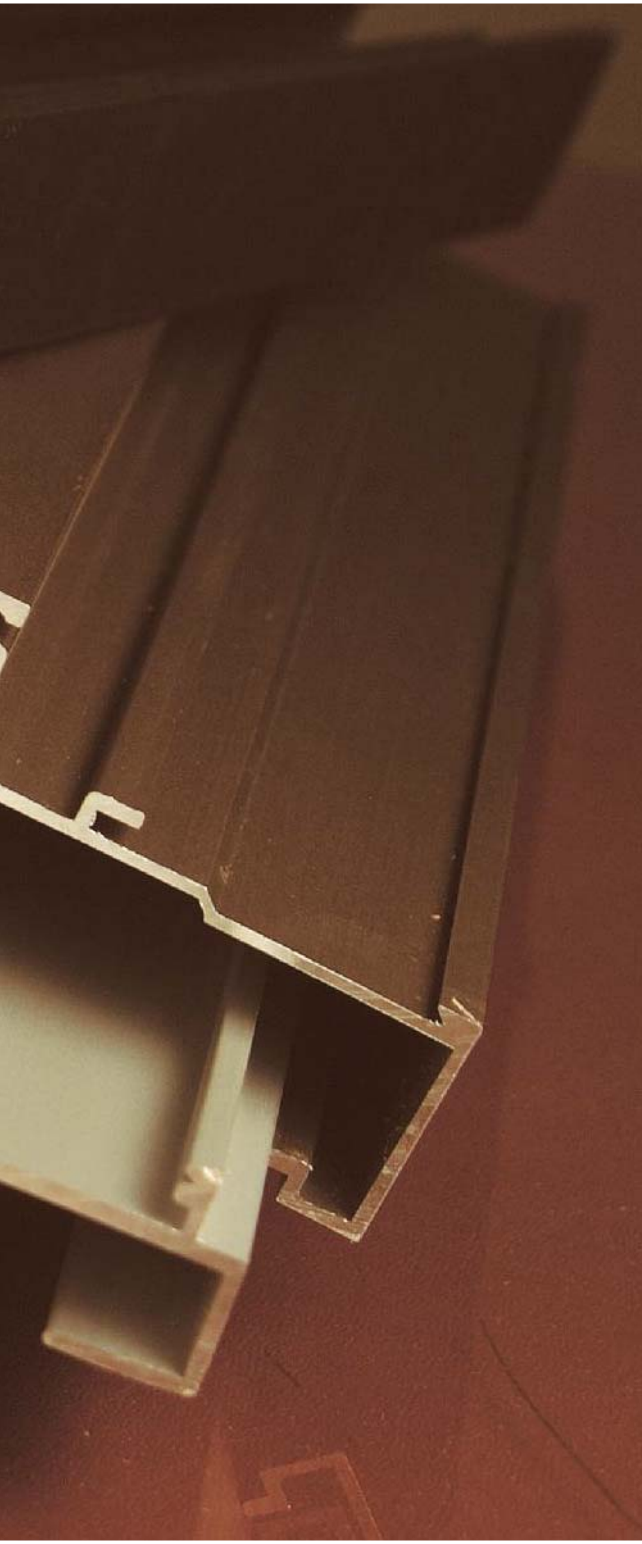
To cater to the requirements of Utilities, Projects and Industries, Pakistan Cables manufactures Low Voltage (LV) and Medium Voltage (MV) cables up to 15KV, with PVC and XLPE insulation. All our cables are subject to rigorous in-house quality checks. LV and MV cables have been fully type tested by KEMA - Holland in accordance with IEC 502.

With the increasing power demand in the country, the use of overhead conductors for power transmission purposes has increased. Pakistan Cables provides high quality overhead conductors to the utility companies, PEPCO and KESC, which are manufactured from EC grade Aluminium and Copper Rod.

Pakistan Cables also has a state-of-the-art manufacturing facility dedicated to manufacturing wires for the automobile industry. This plant became operational in 2008.

We also manufacture telephone, intercom, coaxial and numerous types of special cables which include airfield lighting, control cables or other items as per the requirements of the customers.





Aluminium Sections

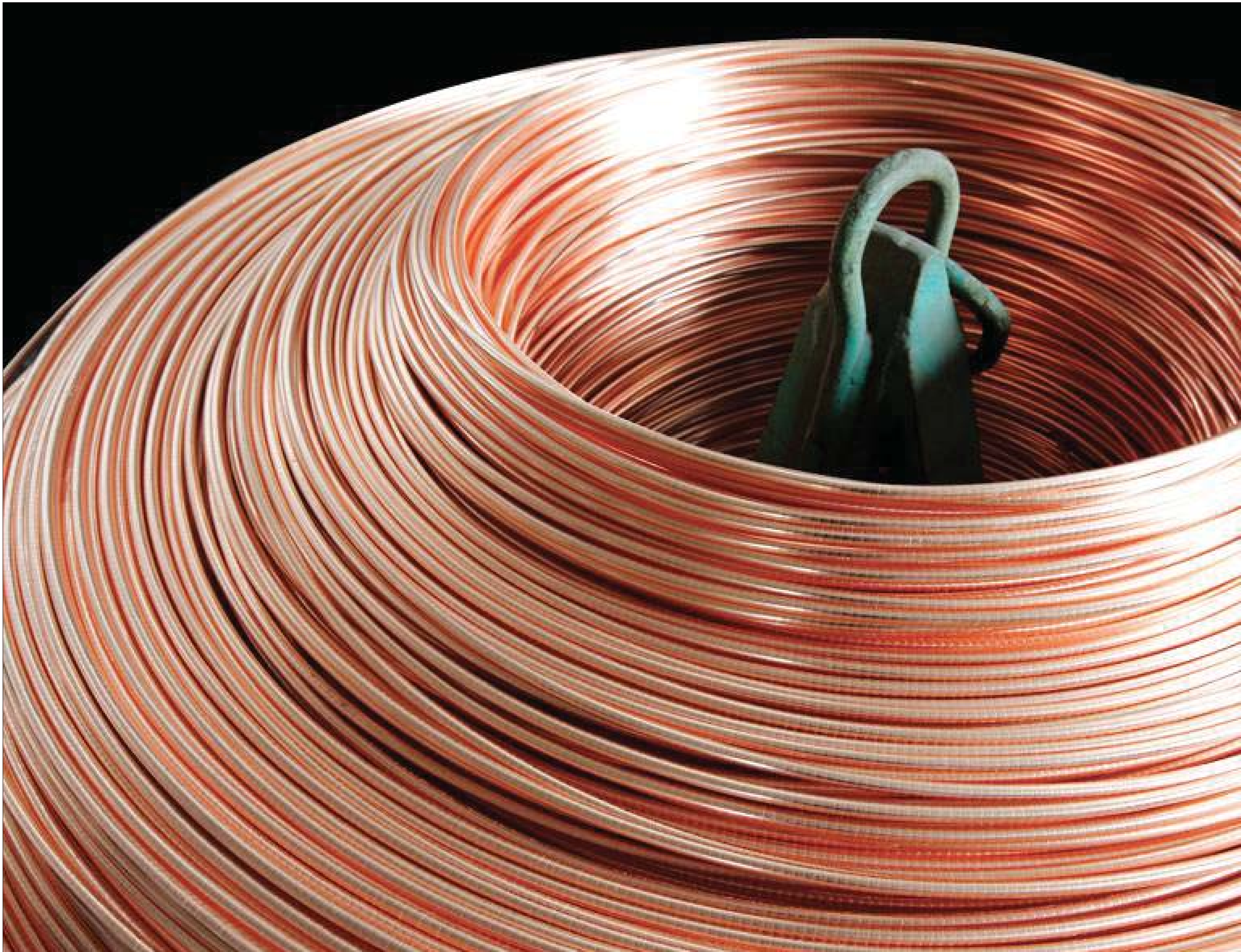
Alum-Ex is the brand name under which Pakistan Cables Ltd. manufactures aluminium sections for architectural, construction and industrial applications.

Alum-Ex sections are extruded from prime quality imported AA6063 billets. This is the internationally recommended alloy grade for architectural and structural applications. These sections are anodized on a fully automatic plant. We have the capability to offer six elegant colours of anodized sections.

In addition to anodized sections, powder coated Alum-Ex sections are also available in any imaginable colour to match the taste of the customers. We use only polyester based powders, manufactured & supplied by reputable companies. These are thermosetting types, specially designed for "façde" use. These coatings can withstand the rigors of ultra violet rays in the atmosphere.

The advantages of Alum-Ex aluminium sections are:

(1) Scratch free and Corrosion Resistant
(2) Strength & Durability
(3) Uniform Colour & Smooth Finish
(4) Colour Retention
(5) Ultra-violet and Humidity Resistant



Copper Rod

In 1996, Pakistan Cables set up a plant to manufacture High Conductivity Oxygen Free 8mm Copper Rod. This plant was supplied by Outokumpu Castform Oy, Finland and uses the upcast system of manufacturing 8mm diameter. Our Copper Rod is cast directly from the furnace. Oxygen Free Copper is particularly suited for drawing into wires.

The company expanded its facility of manufacturing of copper rods with the installation of plant procured from the original supplier (Outokumpu Castform Oy, Finland).

Numerous satisfied customers, particularly Enamel Wire Manufacturers will attest to the quality of our Rod. The raw material used is only LME registered "A" grade copper cathodes.

PVC Compound

In 2008 Pakistan Cables set up its own state-of-the-art PVC Compounding Plant. This plant is designed to provide premium quality PVC compounds for various applications. It has the most sophisticated machinery imported from Kraus Maffei (Germany) and Plasmec (Italy), including automated weighing and dosing systems supported by a polymer laboratory to enable development of customer specific formulations.

Pakistan Cables PVC compound plant ensures timely availability of raw materials for production. The plant also provides us with improved control of our manufacturing processes as the Company continues to expand.

We produce flexible PVC compounds for insulation and sheathing of electric cables, and other flexible PVC compounds for sale to the local and export markets.

Together towards success

Board of Directors

Mr. Towfiq H. Chinoy (Chairman)

Non-Independent Non-Executive Director

is presently the Chief Executive of International Steels Ltd., non-executive Chairman of Jubilee General Insurance Co. Ltd., Packages Ltd., and HBL Asset Management Ltd. He is Director of Linde Pakistan Ltd., Jubilee Life Insurance Co. Ltd. and IGI Investment Bank Ltd. Mr. Chinoy is Trustee of The Mohatta Palace Gallery Trust.

He has also served as a Member of the Engineering Development Board - Govt. of Pakistan, the Advisory Board of Ports & Shipping Sector, Ministry of Communications as a Director of Port Qasim Authority and National Refinery Ltd. He has held various appointments at the Aga Khan Economic Planning Board.

He is on the Board of PCL since 17-5-1996.

Syed Naseem Ahmad

Non-Independent Non-Executive Director

has done his Masters' in Physics. He is presently Chairman of the Board of Directors, Faysal Bank Ltd. and previously he was Chairman and Chief Executive of Philips Electrical Industries of Pakistan Ltd., Pakistan Security Printing Corporation, Security Papers Ltd. and Sicpa Inks Pakistan (Pvt.) Ltd. He was also the Chairman of Engro Chemicals Ltd. and Vice Chairman of Karachi Port Trust. He has also served on the Board of Wazir Ali Industries Ltd., Security Leasing (Pvt.) Ltd. and ABN AMRO Bank.

He is on the Board of PCL since 17-5-1999.

Mr. Mustapha A. Chinoy

Non-Independent Non-Executive Director

is a Bachelor of Science in Economics from Wharton School of Finance, University of Pennsylvania, USA.

He is presently CEO of Intermark (Pvt.) Ltd. and the Chairman of Security Papers Ltd. He is on the Board of Travel Solutions (Pvt) Ltd., Binary Vibes (Pvt) Ltd., Global E-Comm Services (Pvt.) Ltd., International Industries Ltd., and International Steels Ltd. He is also the Honorary Consul General of Greece.

Previously he has served on the Board of Pak Chemicals Ltd. and Union Bank Ltd.

He is on the Board of PCL since 1-1-1986.

Mr. Ernest K. Cuyegkeng

Non-Independent Non-Executive Director – Nominee of GK Technologies Inc, USA (a subsidiary of General Cable Corporation, USA)

is the Chief Financial Officer and Executive Vice President of A. Soriano Corporation since 1990 and is the President of Phelps Dodge Philippines since 2000. He also serves as director of various corporations, A. Soriano Corporation, Phelps Dodge Philippines, Seven Seas Resort and Leisure, Inc., KSA Realty Corporation, Artha Land Corporation, Sumifru Singapore and Cirrus Global. He is also a trustee of the Andres Soriano Foundation. He is a member of various business associations, the Management Association of the Philippines, Makati Business Club and Financial Executive Institute of the Philippines. Mr. Cuyegkeng holds a B.A in Economics and B.S in Business Administration from De La Salle University in 1968 and a Masters in Business Administration degree from Columbia Graduate School of Business, New York in 1970.

He is on the Board of PCL since 23-11-2010.

Mr. Roderick Macdonald, MBE

Non-Independent Non-Executive Director – Nominee of GK Technologies Inc, USA (a subsidiary of General Cable Corporation, USA)

is Executive Vice President of Business Development for General Cable. Prior to this he was Executive Vice President of Global Sales and Business Development. He joined General Cable in 1999 as Senior Vice President and General Manager of their Building Wire business. From 1994 he held various executive appointments within Commonwealth Industries including Present of Alflex Corporation. He began his career in military and government service. He served 25 years as an officer in the British Army which included leading soldiers in combat in Northern Island and the Falkland Islands. He ended his distinguished career as Brigadier. Mr. Macdonald holds a Bachelor of Science degree in Mechanical Engineering from the Royal Military College of Science and completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Institute of Mechanical Engineers in the UK and a registered (Chartered) engineer in both the UK and Europe.

He is on the Board of PCL since 23-11-2010.

Mr. Haroun Rashid

Non-Independent Non-Executive Director

is a Fellow Member of the Institute of Chartered Accountants (England & Wales), Certified Investment Advisor & Securities Dealer, Securities Commission of Hong Kong. Presently he is Director and Chairman Audit Committee of Arif Habib Investments Ltd., and a partner in Heritage Developments and Rashid Poultry.

Previously he has been Managing Director of Kashmir Edible Oils Ltd., ANZ Securities Asia Ltd – Hong Kong and Director of Financial Executives Institute – Hong Kong, Public Procurement Regulatory Authority (PPRA), Pakistan Agricultural Storage & Services Corporation Ltd., Union Bank Ltd. and Fidelity Investment Bank Ltd. He has also been a Governor of Lahore General Hospital.

He is on the Board of PCL since 17-5-1993.

Mr. Saquib H. Shirazi

Independent Non-Executive Director

is a MBA from Harvard Business School. He is presently CEO Atlas Honda Ltd. He is also on the Board of Atlas Power Ltd., Shirazi Investment (Pvt.) Ltd., Shirazi Trading Company (Pvt.) Ltd., Shirazi Capital (Pvt.) Ltd., Cherat Cement Ltd., National Logistic Cell and Pakistan Petroleum Ltd.

He is on the Board of PCL since 8-5-2008.

Mr. Shahid Aziz Siddiqui

Independent Non-Executive Director

is presently Chairman, State Life Insurance Corporation of Pakistan.

Mr. Siddiqui holds a Master's Degree from the Karachi University and a Post Graduate Degree in Development Economics from the University of Cambridge UK. Mr. Siddiqui topped the CSS examination of 1968. He has successfully completed all the parts of the Board Development Series conducted by Pakistan Institute of Corporate Governance (PICG) and is a Certified Board Director by PICG/I.F.C.

He has formerly held the positions of Managing Director, Rice Export Corporation of Pakistan, Chairman National Highways Authority, Director General, Ports and Shipping and Director Labor, Sindh.

He has also been the Commissioner Karachi Division and Deputy Commissioner of the Districts of Thatta, Sanghar and Larkana. In addition having held the position of Director Excise and Taxation and many other assignments in the Federal and Provincial Governments.

He is on the Board of PCL since 13-12-2010.

Mr. Kamal A. Chinoy

(Chief Executive)

is a B.Sc. Economics from the Wharton School, University of Pennsylvania, USA and is a 'Certified Director' having been Certified by the Pakistan Institute of Corporate Governance.

Presently, he is on the Board of International Industries Ltd., International Steels Ltd., Pakistan Security Printing Corp. (Pvt) Ltd., Atlas Battery Ltd. and NBP Fullerton Asset Management Limited (NAFA).

He is the President of the Management Association of Pakistan, and is a member of the executive committee of the International Chamber of Commerce.(ICC) Pakistan. He is also on the Board of Governors of Army Burn Hall Institutions, and the Managing Committee of the Sind Club.

He is also the Honorary Consul General of Republic of Cyprus.

Previously, he has served as the Chairman of the Aga Khan Foundation, Pakistan and was on the Board of First International Investment Bank (now IGI Bank), Pakistan Centre for Philanthropy and Admission Committee of the Aga Khan University.

He is on the Board of PCL since 31-5-1992.

Standing (Starting left): Mr. Kaifee Siddiqui (G.M. HR & Admin), Mr. M. Tanwir Aslam (Production Manager), Mr. Kamal A. Chinoy (Chief Executive), Mr. Touseef ul Bari (Finance Manager), Mr. Shahid B. Bhatty (Regional Manager Central), Mr. Ahmad Bagia (Sales & Operation Manager), Mr. S. M. Athar Farid (Technical Manager), Mr. Moinuddin Silat (Materials Manager), Mr. Fayyaz A. Butt (Regional Manager North) Sitting (Starting left): Mr. Shahpur Channah (Deputy Chief Executive), Mr. Aslam Sadruddin (Finance Director), Mr. Iftikhar Ahmed (Manufacturing Manager)

Management Team

Mr. Kamal A. Chinoy (Chief Executive)
B.Sc. Economics from the Wharton School, University of Pennsylvania, USA. Joined PCL in 1992.

Mr. Shahpur Channah (Deputy Chief Executive)
M. A. International Relations, from Karachi University. Central Superior Services 1976/77. With PCL since 1989.

Mr. Aslam Sadruddin (Finance Director)
Fellow Member of the Institute of Chartered Accountants of Pakistan. Also a law graduate. Joined PCL in 1993.

Mr. Kaifee Siddiqui (G.M. HR & Admin)
Post graduate degrees in Law and Public Administration, Joined PCL in 2012.

Mr. S. M. Athar Farid (Technical Manager)
B.E. in Electrical Engineering from NED and MBA in Marketing from IBA. With PCL since 1976.

Mr. Ahmad Bagia (Sales & Operation Manager)
B.E. Metallurgy from NED University in 1979. Rejoined PCL in 2002.

Mr. Moinuddin Silat (Materials Manager)
Graduate in Commerce from S.M. College. Joined PCL in 2003.

Mr. Iftikhar Ahmed (Manufacturing Manager)
B.E. Electrical from NED University, MS in Communication Engineering from the US Navy Post Graduate School, Monterey California. Joined PCL in 2002.

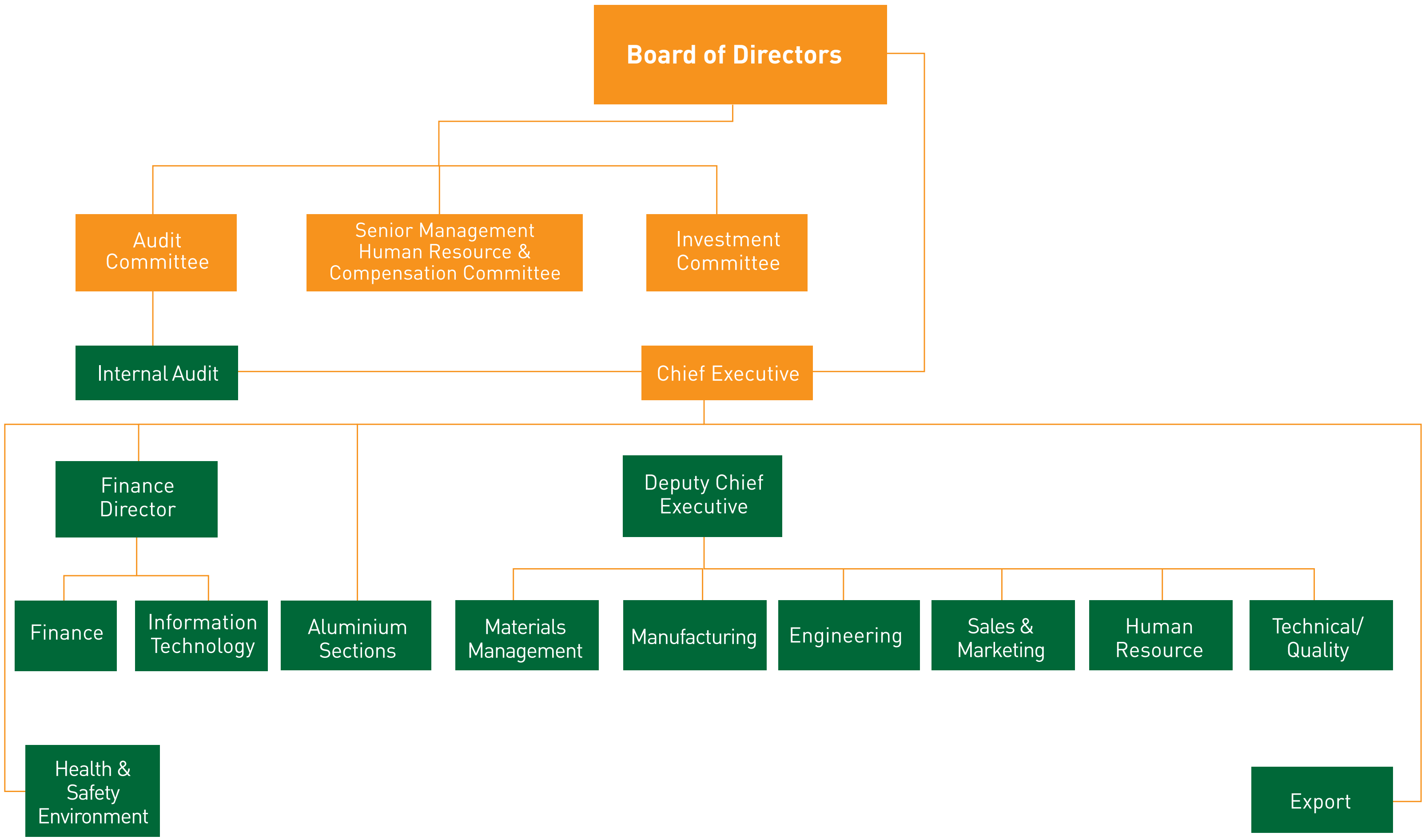
Mr. Touseef-ul-Bari (Finance Manager)
Fellow Member of the Institute of Chartered Accountants of Pakistan. Joined PCL in 2001.

Mr. Shahid B. Bhatty (Regional Manager Central)
Bachelor in Economics & Political Science from University of Punjab. Joined PCL in 1989.

Mr. Fayyaz A. Butt (Regional Manager North)
Graduated from Gordon College, Rawalpindi. Joined PCL in 2002.

Mr. M. Tanwir Aslam (Production Manager)
B.E. in Metallurgical Engineering from NED University. Lifetime member of Pakistan Engineering Council. Rejoined PCL in 2011.

Organizational Structure



Committees of the Board of Directors & Management

Committees of the Board of Directors

Audit Committee

Haroun Rashid	Chairman
Mustapha A. Chinoy	
Roderick Macdonald	

Senior Management Human Resource and Compensation Committee

Towfiq H. Chinoy	Chairman
Syed Naseem Ahmad	
Mustapha A. Chinoy	

Investment Committee

Towfiq H. Chinoy	Chairman
Kamal A. Chinoy	
Aslam Sadruddin	

Committees of the Management

Management Committee

Kamal A. Chinoy	Chairman
Shahpur Channah	
Aslam Sadruddin	

System and Technology Committee

Kamal A. Chinoy	Chairman
Aslam Sadruddin	
Touseef ul Bari	

Operations Committee

Shahpur Channah	Chairman
Aslam Sadruddin	
Touseef ul Bari	
Iftikhar Ahmad	
M. Tanwir Aslam	
Kaifee Siddiqui	
S.M. Athar Farid	
Moinuddin Silat	
Fahd K. Chinoy	

Together towards partnership

Shareholders' Information

Annual General Meeting

The annual meeting of the shareholders will be held on 23rd October 2012 at 11:00 a.m. at the Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi.

Any shareholder may appoint a proxy to attend and vote at the meeting on his or her behalf. Proxies should be filed with the Company at least 48 hours before the meeting time.

CDC shareholders or their proxies are requested to bring copies of their National Identity Card along with the participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

Financial Calendar

The Company follows the period of July 01 to June 30 as the Financial Year.

For the Financial Year 2012-13, Financial Results will be announced as per the following tentative schedule:

1st Quarter ending September 30, 2012	Last week of October 2012
2nd Quarter ending December 31, 2012	Last week of January 2013
3rd Quarter ending March 31, 2013	Last week of April 2013
Year ending June 30, 2013	Second week of August 2013

Investor Relations Contact

Mr. Aslam Sadruddin Finance Director and Company Secretary
Email: finance@pakistancables.com Phone: (021) 32561170-5 Fax: (021) 32564614

In compliance with the requirements of section 204 (A) of Companies Ordinance 1984, THK Associates (Pvt.) Limited has been appointed as Share Registrar of the Company.

The address, contact numbers and timings of THK Associates (Pvt.) Limited is given below:

THK Associates (Pvt.) Limited
Ground Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi-75530
Telephone No.: (021) 111-000-322 Fax No. : (021) 35655595
Timings : 9:30 am to 12:30 pm & 2:30 pm to 4:30 pm (Monday to Friday)

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 59th Annual General Meeting of the shareholders of Pakistan Cables Limited will be held on Tuesday the 23rd day of October 2012 at 11.00 a.m. at the Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the Statement of Accounts for the year ended June 30, 2012 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of dividend as recommended by the Directors. The Directors have recommended a final cash dividend of 32.5% for the financial year ended June 30, 2012.
3. To appoint Auditors for the ensuing year and to fix their remuneration (KPMG Taseer Hadi & Co., Chartered Accountants, retire, and being eligible, have offered themselves for re-appointment). As required by paragraph xxxv of the Code of Corporate Governance, the Board of Directors recommends, based on the recommendation of the Audit Committee, the appointment of KPMG Taseer Hadi & Co. as auditors for the ensuing year.
4. To transact any other ordinary business which may legally be transacted at an Annual General Meeting.

SPECIAL BUSINESS

5. To approve the appointment of Intermark (Pvt) Limited, as distributor of the products of the Company for Karachi for the purposes of Section 188(1)(c)(i) of the Companies Ordinance, 1984.

By Order of the Board
Aslam Sadruddin
Finance Director and
Company Secretary

KARACHI: September 28, 2012

NOTES:

1. The Shares Transfer Books of the Company will remain closed from October 10th, 2012 to October 23rd, 2012 (both days inclusive). No transfer will be accepted for registration during this period.

2. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy must be a member of the Company.

3. The instrument appointing the proxy and the Power of Attorney or other authority under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's Registered Office i.e. B-21, S.I.T.E., Karachi, not later than 48 hours before the time of the Meeting.

4. CDC Account Holders will have to follow the guidelines below as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan:

   A. For Attending the Meeting
      (i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the Regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or original passport at the time of attending the Meeting.
      (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   B. For Appointing Proxies
      (i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the Regulations, shall submit the proxy form as per above requirement.
      (ii) The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
      (iii) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
      (iv) The proxy shall produce his/her original NIC or original passport at the time of the Meeting.
      (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted alongwith proxy form to the Company.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 REGARDING THE SPECIAL BUSINESS

This Statement sets out the material facts concerning the Special Business to be transacted at the 59th Annual General Meeting of the Company to be held on 23rd October, 2012 at 11:00 a.m. at the Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi.

Item No. 5 of the Agenda - Appointment of Intermark Private Limited, a related party, as a Distributor:

Intermark (Pvt) Limited ("Intermark") of 101 Beaumont Plaza, Beaumont Road, Karachi has been a distributor of the Company's products for more than twenty-five years, and was appointed as a distributor when the Company was under the ownership and control of BICC plc, UK.

Mr. Mustapha Chinoy, a non-executive Director of the Company is also a Director and CEO of Intermark while no other director currently has any interest in the distributor comapany.

The Company has a network of dealers and distributors who are appointed in consonance with the Company's policy on awarding dealerships / distributorships. Intermark, as a distributor of the Company's General Wiring product range in Karachi, purchases products from the Company on an 'arms length' basis for subsequent resale to dealers who, in turn, resell the products to consumers.

In view of the relationship between the Company and Intermark and the dealings between them on principal to principal basis, the Company considers that Mr. Mustapha Chinoy's directorship in Intermark does not, by itself, tantamount to appointment of Intermark to an office of profit of the Company. Nonetheless, in order to avoid any contention that in fact such appointment is to an office of profit, the Directors propose that the following Resolution be passed, as an ordinary resolution, at this AGM in terms of Section 188(1)(c)(i) of the Companies Ordinance, 1984:

RESOLVED THAT:

"WHEREAS:

(a) Intermark (Pvt) Limited ("Intermark") of 101 Beaumont Plaza, Beaumont Road, Karachi has been acting as a distributor of the products of the Company in Karachi;

(b) as a distributor, Intermark purchases the Company's products from the Company and resells such products to dealers in Karachi for sale to customers;

(c) a director of the Company is also a director and shareholder of Intermark;

(d) in view of the nature of the business relationship between the Company and Intermark which is on principal to principal basis, the Company considers that Intermark does not appear to hold an office of profit under the Company in terms of Section 188(1)(c)(i) of the Companies Ordinance, 1984;

(e) nonetheless, as a matter of abundant precaution, the Directors have decided to obtain the approval of the Company in General Meeting for the appointment of Intermark in terms of Section 188(1)(c)(i) of the Companies Ordinance, 1984.

NOW, THEREFORE, it is resolved that:

(i) appointment of Intermark as a distributor of the products of the Company for Karachi be and is hereby approved by the Company in General Meeting pursuant to and in terms of Section 188(1)(c)(i) of the Companies Ordinance, 1984 to the extent that the said appointment could be construed as an appointment to the office of the profit of the Company;

(ii) the said approval shall cover and shall be deemed to have covered the current and all previous appointments of Intermark as a distributor of the products of the Company which appointments be and are hereby ratified and confirmed for the purpose of Section 188(1)(c)(i) of the Companies Ordinance, 1984; and

(iii) the Directors be and are hereby authorised to determine, to the extent required, the terms of the Distribution Agreement between the Company and Intermark, as distributors, and complete all formalities in that connection and in connection with this resolution."

Journey over the Years

1953
Started manufacturing of General Wiring Cables with Natural Rubber Insulation.

1960
Introduced General Wiring Cables with PVC insulation for the first time in Pakistan.

1968
Established Factory for L.V. Armoured Cables up to 3.3 KV for the first time in Pakistan.

Installed Aluminium Rod Extrusion plant.

1974
Manufactured Field Communication Cables for use by Pakistan Armed Forces.

1978
Received the Top 25 Companies Award from Karachi Stock Exchange.

1979
Launched Aluminium extruded sections comprising pipes & curtain railings.

1980
Again Received Top 25 Companies Award from Karachi Stock Exchange.

1982-84
Received Corporate Excellence Award by Management Association of Pakistan. Awarded to the 6 best-managed companies.

1984
Established Anodizing Plant for manufacturing of Aluminium Doors & Windows Sections.

Introduced for the first time in Pakistan M.V. 15 KV XLPE cables for supply to KESC.

1996-97
Setup a state-of-the-art plant to manufacture High Conductivity Oxygen Free Copper Rod.

Became the first ISO 9002 certified cablemanufacturer in Pakistan.

1998
Received Achievement Award for outstanding performance in 1996-97 presented by the President of Pakistan.

2000
Became the first and only cable and aluminium manufacturer in Pakistan to be certified for the ISO 9001:2000 version.

2001
Introduced LV XLPE cables fully type tested by KEMA, Holland for the first time in Pakistan.

2003
Introduced powder coated Aluminium Profiles.

Commemorated 50th Anniversary.

2004
Achieved net sales of over Rs. 1 billion.

Selected for Top 25 Companies Award from Karachi Stock Exchange.

2005
Achieved net sales of over Rs. 2 billion.

2006
Achieved net sales of over Rs. 3 billion.

Received Top 25 Companies Award from Karachi Stock Exchange.

Expanded the facility of manufacturing of Copper Rods with the installation of plant procured from the original supplier M/s. Outokumpu Castform, Finland.

2007
Achieved net sales of over Rs. 4 billion.

Received Brand of the Year Award for Wire & Cables and Copper Rod.

Received Top 25 Companies Award from Karachi Stock Exchange.

2008
Received Best Corporate Report Award from Joint Committee of ICAP and ICMAP for the Year 2006 & 2007.

Received Top 25 Companies Award from Karachi Stock Exchange.

Completed downstream expansion by inaugurating new PVC Compounding Plant.

Received "Brands of the year Awards" for Wire & Cables and Copper Rod.

2009
Made operational a 2 MW gas fired trigeneration power plant.

Set up a new plant for the manufacture of Automobile Cables.

Received ISO 9001:2008 Certification.

2010
Geberal Cable Corporation, a Fortune 500 Company and world leader in cable manufacturing made a 25% equity investment in Pakistan Cables.

Received ISO 14001:2004 Certification.

Received OHSAS 18001:2007 Certification.

2012
Achieved net sales of over Rs. 5 billion.

Received Best Corporate Report Award from Joint Committee of ICAP and ICMAP for the Year 2010.

Key Financial Data

	2011-2012 Rs. Million	2010-2011 Rs. Million	2009-2010 Rs. Million	2008-2009 Rs. Million	2007-2008 Rs. Million	2006-2007 Rs. Million	2005-2006 Rs. Million
Financial Results							
Sales	5,344.6	4,096.4	3,798.8	3,352.3	3,794.9	4,168.9	3,028.1
Gross Profit	687.6	519.6	412.3	532.4	369.9	614.2	495.1
Operating profit	348.4	250.7	197.7	350.9	7.0	390.5	329.5
Profit before tax	240.9	146.7	52.3	101.8	53.6	293.3	261.2
Profit after tax	139.9	85.7	45.5	63.9	65.4	194.3	173.0
Earning before interest, tax, depreciation and amortization (EBITDA)	430.6	361.0	323.1	432.4	257.0	464.7	371.6
Dividend	92.5	56.9	32.2	48.3	-	54.8	24.4
Bonus Issue	-	-	-	-	19.5	48.8	68.3
Capital expenditure	35.9	34.2	30.2	169.9	338.4	280.0	272.0
Fixed assets at cost/revaluation	2,285.0	2,254.0	2,218.0	2,192.0	1,776.4	1,429.6	1,274.9
Current assets less current liabilities	816.7	569.7	41.4	78.7	2.7	142.6	145.7
Cash Flow from:							
Operating activities	496.8	(4.0)	(562.4)	630.2	31.8	(345.4)	211.9
Investing activities	26.7	(27.3)	(25.2)	(164.9)	(246.8)	(270.4)	(265.9)
Financing activities	(625.9)	357.8	556.8	(58.5)	(448.5)	353.7	444.4
Cash and cash equivalents	(113.9)	(11.6)	(338.0)	(307.2)	(714.0)	(50.4)	211.6
Shareholders' funds							
Issued capital	284.6	284.6	214.6	214.6	195.1	146.3	97.5
Reserve & retained earning	1,176.2	1,088.9	504.2	503.6	455.9	456.4	358.6
Total Shareholders' fund	1,460.8	1,373.5	718.8	718.2	651.0	602.7	456.1
Surplus on revaluation of fixed assets	691.6	695.8	680.8	684.2	687.6	549.0	551.3
Long term Loans & Liabilities	182.7	199.3	394.5	510.0	378.2	259.0	174.4
Net Assets employed	2,335.1	2,268.7	1,794.2	1,912.4	1,716.8	1,410.8	1,181.8
Liquidity							
Current Ratio	1.6:1	1.4:1	1:1	1.1:1	1:1	1.1:1	1.1:1
Acid Test Ratio	0.7:1	0.5:1	0.5:1	0.4:1	0.4:1	0.4:1	0.4:1
Financial Gearing							
Financial Leverage	42:58	46:54	62:38	53:47	60:40	61:39	63:37
Debt to Equity ratio	08:92	09:91	22:78	27:73	22:78	18:82	15:85
Interest coverage (Times)	4.6	2.5	1.3	1.4	1.4	3.6	4.4

		2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Capital efficiency								
Debtors turnover	(Times)	7.5	8.6	6.0	10.4	9.6	8.3	7.7
Inventory turnover	(Times)	3.7	2.7	3.4	4.3	3.4	3.1	2.6
Total assets turnover	(Times)	1.5	1.1	1.0	1.1	1.1	1.4	1.1
Creditor turnover	(Times)	16.8	96.7	15.1	14.1	36.2	15.3	5.1
Operating Cycle	No. of days	125.0	174.0	144.0	94.0	135.0	138.0	116.0
Fixed assets turnover	(Times)	3.6	2.6	2.3	2.0	2.3	3.4	3.0
Capital employed turnover	(Times)	2.3	1.8	2.1	1.8	2.2	2.9	2.6
Profitability								
Gross profit	%	12.9	12.7	10.9	15.9	9.7	14.7	16.3
Net profit	%	2.6	2.1	1.2	1.9	1.7	4.7	5.7
EBITDA margin	%	8.1	8.8	8.5	12.9	6.8	11.1	12.3
Return on capital employed (ROCE)	%	18.8	15.4	18.5	27.0	17.9	47.0	53.6
ROCE including revaluation surplus	%	13.2	10.7	11.5	17.4	10.7	28.7	28.6
Return on Equity	%	9.6	6.3	6.3	8.9	10.0	32.2	37.9
Return on total assets	%	3.8	2.3	1.2	2.1	1.9	6.5	6.4
Investment								
Price earning ratio		7.8	13.7	25.5	11.4	36.4	20.2	10.2
Earning per rupee of sales	Rs.	0.03	0.02	0.01	0.02	0.02	0.05	0.06
Earning per share	Rs.	4.92	3.34	2.12	2.98	3.35	13.28	17.73
Cash dividend per share	Rs.	3.25	2.0	1.50	2.25	-	3.75	2.50
Bonus issue per share	Rs.	-	-	-	-	1.00	3.33	7.50
Dividend (cash+bonus) yield % *		8.52	4.39	2.94	6.61	10.00	34.70	76.40
Dividend payout %		66.1	66.3	70.7	75.6	29.8	53.3	54.0
Dividend Cover	(Times)	1.5	1.5	1.4	1.3	3.4	1.9	1.8
Market value per share	Rs.	38.2	45.6	54.0	34.0	122.0	267.9	180.0
Market value per share high during the year	Rs.	47.3	68.9	63.0	120.8	276.0	273.2	263.0
Market value per share low during the year	Rs.	31.0	45.6	34.2	27.8	122.0	162.0	169.0
Break-up value per share including surplus on revaluation	Rs.	75.6	72.7	65.2	65.3	68.6	78.7	103.3
Break-up value per share excluding surplus on revaluation	Rs.	51.3	48.3	33.5	33.5	33.4	41.2	46.8
		Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Value addition and its distribution								
Employees as remuneration		333.7	295.4	251.8	239.8	229.2	204.6	167.2
Government as taxes		1,008.3	846.0	708.7	582.7	698.7	838.1	755.2
Shareholders as dividends		92.5	56.9	32.2	48.3	19.5	103.6	92.7
Provider of Finance		67.7	95.9	154.5	230.0	130.3	112.1	77.2
Society		3.2	2.0	0.2	1.5	1.0	5.3	5.3
Retained within the business		51.5	32.5	16.5	19.0	58.0	93.0	100.9

* Based on market value of June 30

Horizontal Analysis of Financial Statements

	2011-2012 Rs. '000	% Change w.r.t. 2011	2010-2011 Rs. '000	% Change w.r.t. 2010	2009-2010 Rs. '000	% Change w.r.t. 2009
Balance Sheet						
Total equity	2,152,397	4	2,069,366	48	1,399,658	(0)
Total non-current liabilities	182,748	(8)	199,299	(49)	394,541	(23)
Total current liabilities	1,344,012	(13)	1,539,111	(17)	1,846,750	69
Total equity and liabilities	3,679,157	(3)	3,807,776	5	3,640,949	21
Total non-current assets	1,518,462	(11)	1,698,948	(3)	1,752,787	(4)
Total current assets	2,160,695	2	2,108,828	12	1,888,162	61
Total assets	3,679,157	(3)	3,807,776	5	3,640,949	21
Profit and Loss Account						
Net sales	5,344,571	30	4,096,391	8	3,798,847	13
Gross profit	687,595	32	519,615	26	412,349	(23)
Operating profit	348,442	39	250,673	27	197,708	(41)
Profit before tax	240,956	64	146,682	180	52,306	(49)
Profit after tax	139,956	63	85,682	88	45,506	(29)

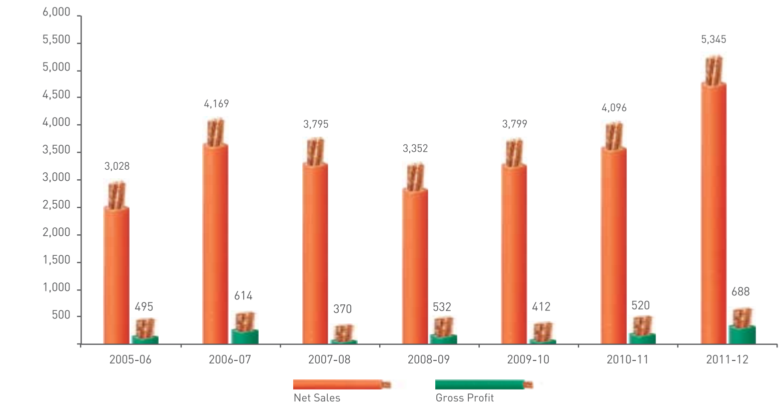
2008-2009	% Change	2007-2008	% Change	2006-2007	% Change	2005-2006
Rs. '000	w.r.t. 2008	Rs. '000	w.r.t. 2007	Rs. '000	w.r.t. 2006	Rs. '000
1,402,442	5	1,338,521	16	1,151,761	14	1,007,483
510,026	35	378,254	46	259,050	49	174,370
1,095,266	(33)	1,629,125	4	1,568,310	2	1,536,409
3,007,734	(10)	3,345,900	12	2,979,121	10	2,718,262
1,833,749	7	1,714,085	35	1,268,174	22	1,036,149
1,173,985	(28)	1,631,815	(5)	1,710,947	2	1,682,113
3,007,734	(10)	3,345,900	12	2,979,121	10	2,718,262
3,352,328	(12)	3,794,949	(9)	4,168,938	38	3,028,057
532,355	44	369,880	(40)	614,211	24	495,121
332,335	4,676	6,959	(98)	390,476	19	329,506
101,841	90	53,607	(82)	293,276	12	261,214
63,921	(2)	65,397	(66)	194,276	12	173,014

Vertical Analysis of Financial Statements

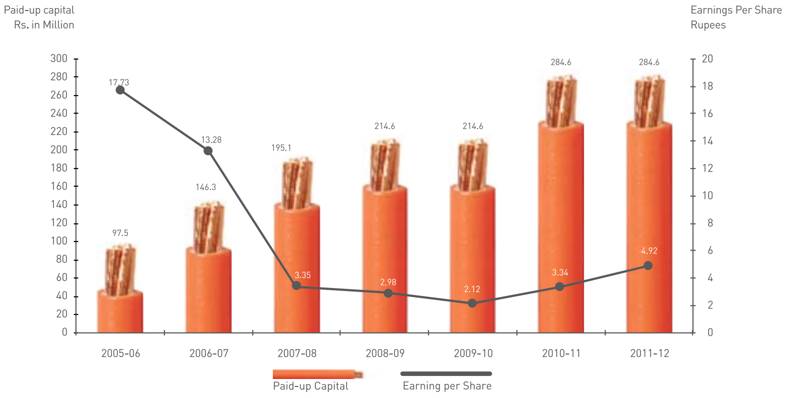
	2011-2012		2010-2011		2009-2010	
	Rs. '000	%	Rs. '000	%	Rs. '000	%
Balance Sheet						
Total equity	2,152,397	58.50	2,069,366	54.35	1,399,658	38.44
Total non-current liabilities	182,748	4.97	199,299	5.23	394,541	10.84
Total current liabilities	1,344,012	36.53	1,539,111	40.42	1,846,750	50.72
Total equity and liabilities	3,679,157	100.00	3,807,776	100.00	3,640,949	100.00
Total non-current assets	1,518,462	41.27	1,698,948	44.62	1,752,787	48.14
Total current assets	2,160,695	58.73	2,108,828	55.38	1,888,162	51.86
Total assets	3,679,157	100.00	3,807,776	100.00	3,640,949	100.00
Profit and Loss Account						
Net sales	5,344,571	100.00	4,096,391	100.00	3,798,847	100.00
Gross profit	687,595	12.87	519,615	12.68	412,349	10.85
Operating profit	348,442	6.52	250,673	6.12	197,708	5.20
Profit before tax	240,956	4.51	146,682	3.58	52,306	1.38
Profit after tax	139,956	2.62	85,682	2.09	45,506	1.20

2008-2009		2007-2008		2006-2007		2005-2006	
Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
1,402,442	46.63	1,338,521	40.00	1,151,761	38.66	1,007,483	37.06
510,026	16.96	378,254	11.31	259,050	8.70	174,370	6.41
1,095,266	36.41	1,629,125	48.69	1,568,310	52.64	1,536,409	56.52
3,007,734	100.00	3,345,900	100.00	2,979,121	100.00	2,718,262	100.00
1,833,749	60.97	1,714,085	51.23	1,268,174	42.57	1,036,149	38.12
1,173,985	39.03	1,631,815	48.77	1,710,947	57.43	1,682,113	61.88
3,007,734	100.00	3,345,900	100.00	2,979,121	100.00	2,718,262	100.00
3,352,328	100.00	3,794,949	100.00	4,168,938	100.00	3,028,057	100.00
532,355	15.88	369,880	9.75	614,211	14.73	495,121	16.35
332,335	9.91	6,959	0.18	390,476	9.37	329,506	10.88
101,841	3.04	53,607	1.41	293,276	7.03	261,214	8.63
63,921	1.91	65,397	1.72	194,276	4.66	173,014	5.71

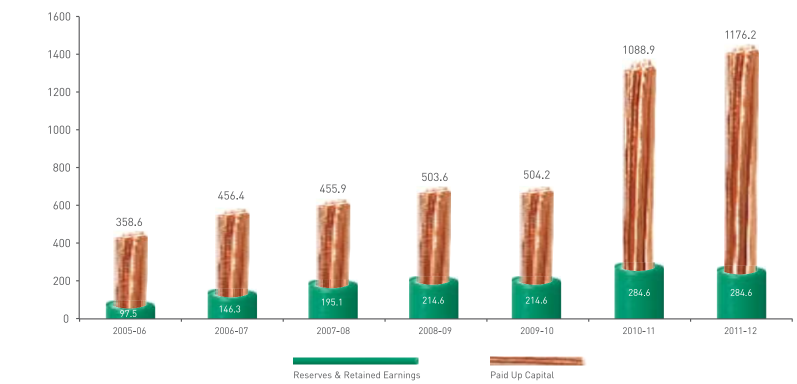
Net Sales and Gross Profit

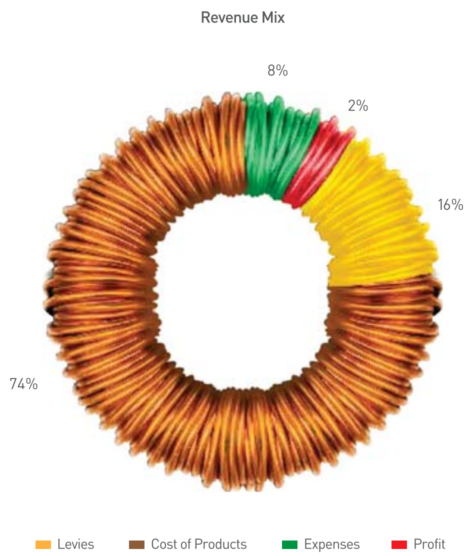


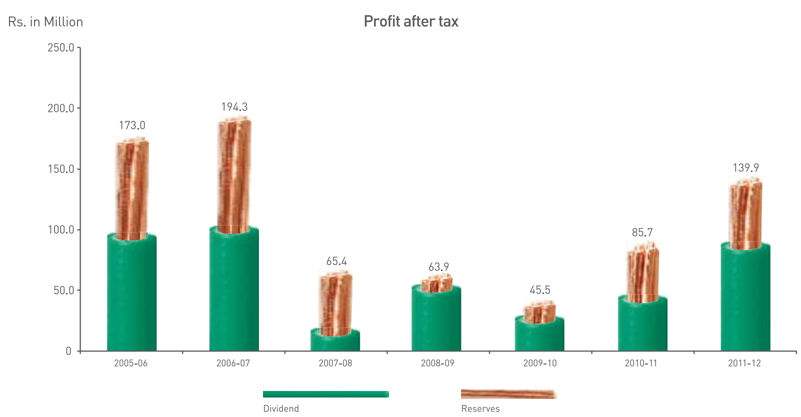
Earning per Share vs Paid-up Capital

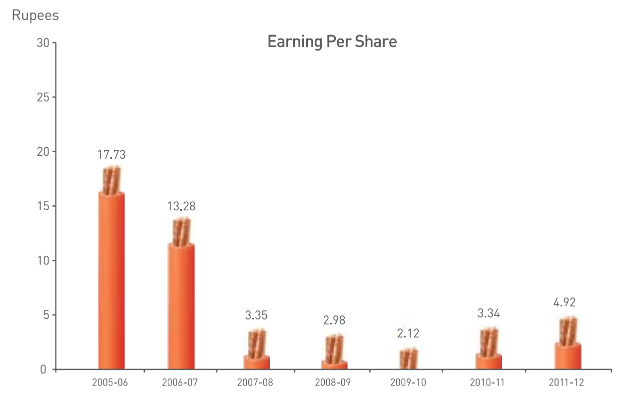


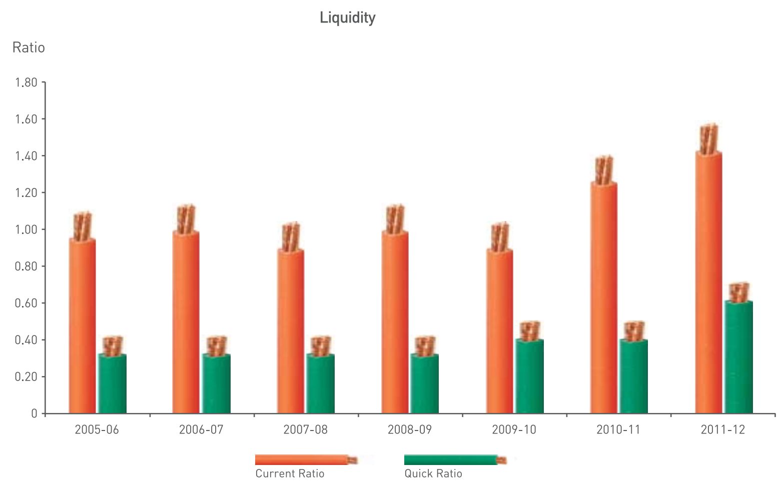
Shareholders' Equity




Revenue Mix
8%
2%
16%
74%
Levies
Cost of Products
Expenses
Profit

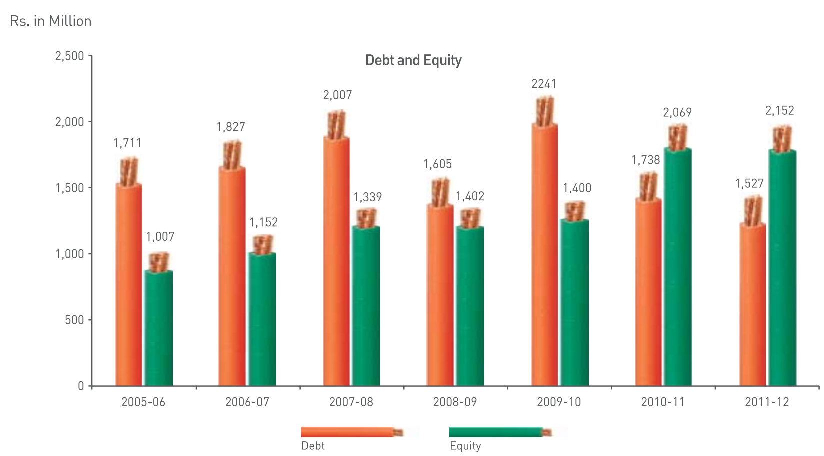

Rs. in Million
Profit after tax
250.0
200.0
150.0
100.0
50.0
0
173.0
194.3
65.4
63.9
45.5
85.7
139.9
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
Dividend
Reserves


Rupees
Earning Per Share
30
25
20
15
10
5
0
17.73
13.28
3.35
2.98
2.12
3.34
4.92
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12

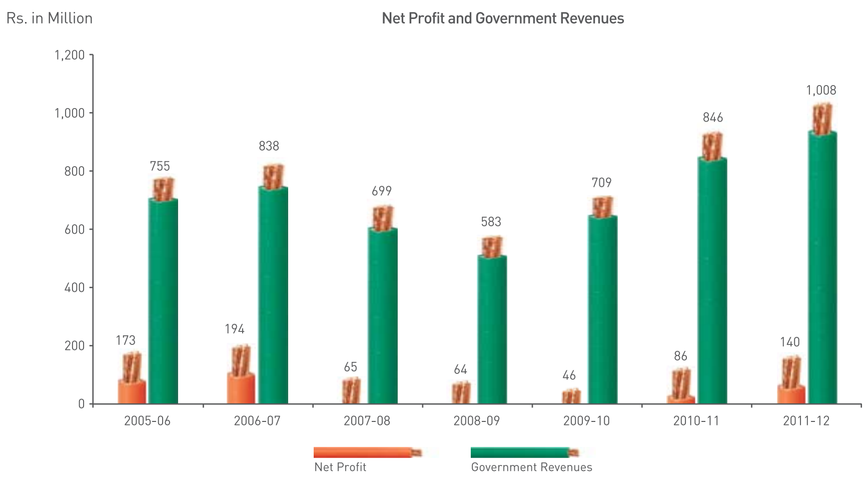


Liquidity
Ratio
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
Current Ratio
Quick Ratio

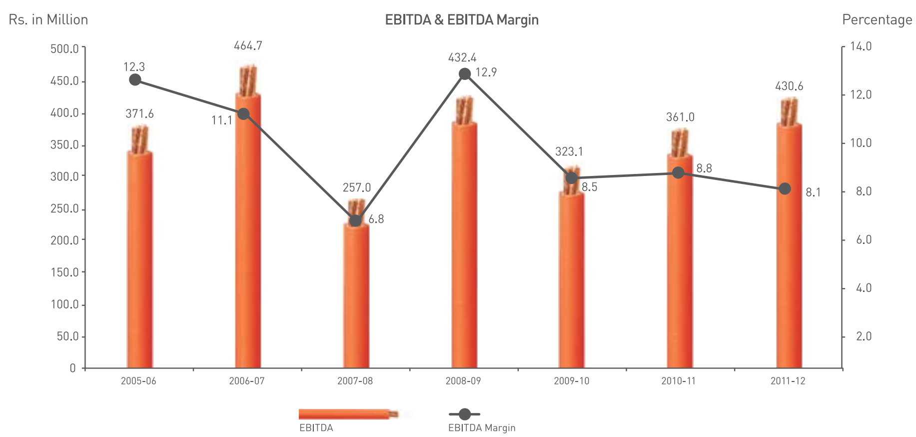
Profitability
Percentage
Percentage
Gross Profit / Net Profit
Return on Total Assets
20%
15%
10%
5%
0%
40%
30%
20%
10%
0%
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
Gross Profit %
Net Profit %
Return on Total Assets %



Rs. in Million
Debt and Equity
2,500
2,000
1,500
1,000
500
0
1,711
1,007
1,827
1,152
2,007
1,339
1,605
1,402
2241
1,400
1,738
2,069
1,527
2,152
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
Debt
Equity



Rs. in Million
Net Profit and Government Revenues
1,200
1,000
800
600
400
200
0
173
755
194
838
65
699
64
583
46
709
86
846
140
1,008
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
Net Profit
Government Revenues



Rs. in Million
EBITDA & EBITDA Margin
Percentage
500.0
450.0
400.0
350.0
300.0
250.0
200.0
150.0
100.0
50.0
0
14.0
12.0
10.0
8.0
6.0
4.0
2.0
371.6
12.3
464.7
11.1
257.0
6.8
432.4
12.9
323.1
8.5
361.0
8.8
430.6
8.1
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
EBITDA
EBITDA Margin

Directors' Report

The Directors are pleased to present the 59th Annual Report along with the audited accounts of the Company for the year ended June 30, 2012.

The Company is engaged in the manufacture of Conductors, Cables and Wires for transmission of electricity since 1953. In 1979, the Company started extrusion of Aluminium Rod from billets, which was upgraded in 1984 to manufacture Anodized Aluminium Profile sections for architectural applications. In 1996, the Company set up a state of the art plant to manufacture High Conductivity Oxygen Free (HCOF) Copper Rod. Due to the increased requirement of rods for manufacturing wire & cables as a result of growing customer demand, the production capacity of the plant has been regularly enhanced over recent years. In 2008, the company set up a PVC Compounding Plant to manufacture high quality electric cable grade PVC compound. The Company also set up a 2-MW gas fired Tri-generation Power Plant, allowing it to be mostly self sufficient for its electricity needs.

In 2010, General Cable Corporation, through its subsidiary GK Technologies Inc, Highland Heights, Kentucky, USA decided to take a 24.6% equity stake in Pakistan Cables Limited.

General Cable is one of the largest cable companies in the world with annual revenues in 2011 of US$ 5.9 billion and 47 manufacturing units in 25 countries around the world. It is worth recalling that Pakistan Cables was the pioneering company in Pakistan's cable industry, when it was established in 1953 in partnership with BICC UK, (at the time one of the largest cable companies in the world). Now, once again, another industry giant has expressed confidence in your company.

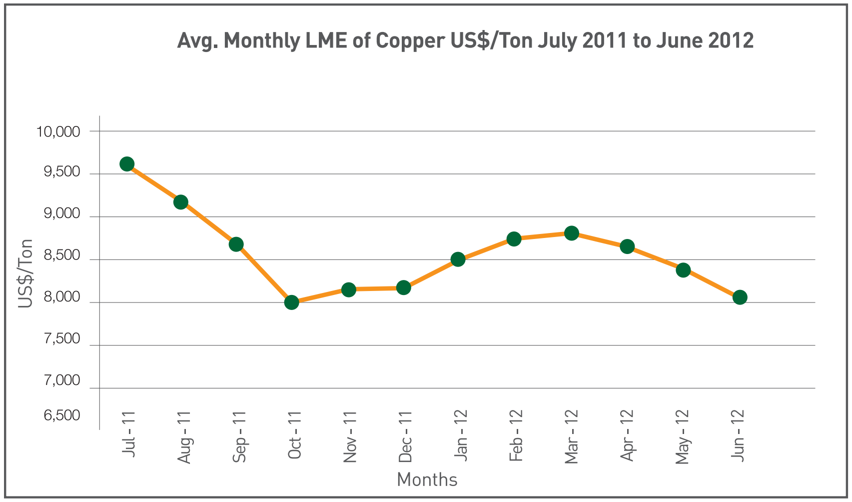
Global Copper & Aluminium Scenario

The prices of cables, copper rod and aluminium extrusions are closely linked to the global markets for Copper and Aluminium. Both base metals are traded on the London Metal Exchange (LME), the world's premier non-ferrous metals market. The LME is a highly liquid market and in 2011 achieved record volumes with 146.6 million lots, equivalent to $15.4 trillion annually and $61 billion on an average business day. The price of both these metals is therefore determined at the LME and any fluctuations in Copper or Aluminium prices have a direct effect on the pricing of our products.


Medium-voltage power cable is loaded on a flat-bed truck at General Cable's Du Quoin, Illinois, U.S.A. plant for shipment to an electric utility customer.

Copper prices underwent a steady decline from an average of $9,619 per ton in July 2011 down to an average of $7,348 per ton in October 2011, before bouncing back to as high as $8,457 per ton in February 2012. Thereafter, copper dipped again and stabilized in the $7,400 -

$ 7,500 range in the last months of the financial year. The decline in copper was a result of several factors including economic problems in the Euro zone, signs of a slowing Chinese economy and no great turnaround in the fortunes of the US economy. The fluctuations in copper prices during the financial year are reflective of the tremendous volatility that is prevalent in global copper markets.



Overview of National Economy

Pakistan's economy showed great resilience despite several significant challenges during the financial year of 2011-12. Challenges remained on the political and economic fronts, resulting in weakness of most major macro-economic indicators.   Real GDP growth of 3.7% showed an improvement of the previous year's growth of 2.4% but was hampered by the persistent energy crisis, circular debt, low investment, security concerns and increasing oil and food prices. While inflationary pressure remained lower than the previous year, the CPI growth rate was still in double digits during the year. Inflation, as measured by the CPI, was 10.8% on an average basis in the first nine months of 2011-12, as compared to 13.8% in 2010-11.

As a result of the above challenges, total investment declined to 12.5% of GDP from 22.1% of GDP in the previous year. In-flow of foreign direct investment was also down to only $666.7 million in the first nine months of the financial year, as compared to $1.3 billion in the previous financial year.

LSM grew by a mere 1.1% during the period July 2011 – March 2012 but this slow rate of growth was offset by 3.2% growth in the major crops subsector (Agricultural sector) and 4% growth in the Services Sector, which contributes 53.5% to the GDP.

From a positive perspective, remittances continued to provide strength to the current account with remittance receipts at $10.9 billion in the period July-April 2011-12. Pakistan became the fifth largest remittances recipient developing country in 2011. Moreover, a declining trend in inflation continued and was followed in August 2012 with a 150 basis point reduction by the State Bank of Pakistan of its key policy rate to 10.5%. The Karachi Stock Exchange grew 10.4% during the financial year on the back of improved corporate earnings, which grew by 17% during the financial year and greater liquidity in the market. However, with 2012-13 being an election year, there is a fair amount of uncertainty that may result in short term economic instability.

Mr. Gregory B. Kenny, the President and Chief Executive Officer of General Cable giving presentation to PCL Management

Segment Highlights

Cables & Wires

Pakistan Cables has established itself as a key player with more than 59 years of experience in the wire & cables business and can rightly claim to be the leading cable and wire company in the country. Our business is driven by the strength, growth prospects and activity in the end markets where our products are used. Our product strategy is to manufacture an extensive array of high quality wires & cables to meet the diverse, dynamic and time-sensitive needs of our customers. Our sales strategy is; (i) to continue to generate market awareness of our brand, (ii) to identify profitable markets and (iii) to penetrate targeted markets through cost benefit analysis and customized service offering.

During the financial year, the Company maintained its leadership position in the market for cables and wires in Pakistan. Pakistan Cables' Trade Network covers over 90 cities and towns across Pakistan. The Company also continued to win large orders from a number of significant commercial projects. Some of the landmark orders Pakistan Cables received during the financial year included the new Benazir Bhutto International Airport (through Siemens), OGDC Qadirpur & Sinjohoro gas fields, Nestle Pakistan, Tariq Glass, Karachi International Container Terminal (through Schneider Electric), Tri-pack Films, DG Khan Cement, CentrePoint Tower, Underground Coal Gasification Project and Lotte Pakistan.

Aluminium Sections

Alum-Ex continued to retain its position in the market. The Company is committed to providing the highest quality aluminium sections in the country. This is underlined by the confidence in our products from Pakistan's leading architects and contractors. During the year PCL supplied profiles to Glaxo SmithKline, GETZ Pharma, Karachi Gymkhana, Institute of Business Administration (IBA), CentrePoint Tower, Bahria Medical & Dental University, The Mall / Ocean Tower (formerly Sofitel), Fauji Fertilizer Head Office, Margalla Hotel, in Rawalpindi/ Islamabad, Packages Limited in Lahore, & PTV Multan.

Operating Performance

The country's GDP growth remained at 3.7 percent against the target of 4.2 percent in the current financial year. The economy continued to be affected by structural problems including domestic energy crisis, dwindling foreign investment, high inflation, rising current account deficit, security issues, currency depreciation and also due to the adverse impact of the ongoing war against terrorism during the year.

Inspite of adverse economic factors and the non-conducive business environment prevailing in the country, the Company's results for the year are reasonably satisfactory, as shown below:

	2011-12	2010-11	Increase
	Rs in million		%
Sales	5,345	4,096	30%
Gross Profit	688	520	32%
Gross Profit Percentage	12.9%	12.7%	
Profit Before Tax	241	147	64%
Profit Before Tax Percentage	4.5%	3.6%	
Profit After Tax	140	86	63%
Profit After Tax Percentage	2.6%	2.1%	
EPS - Rs.	4.92	3.34	47%

Your Company achieved sales of Rs. 5.3 billion which is 30% higher than last year's sales of Rs. 4.1 billion. Strong sales performance was witnessed in all the segments of wire & cable business, particularly Trade and Project segments. Moreover, the company continued its aggressive marketing stance leading to a growth in the market share.

Gross profit for the year amounted to Rs. 687.6 million (12.9% of sales), compared to gross profit in the same period of last year of Rs. 519.6 million (12.7% of sales). The higher gross profit is attributed mainly due to volume growth, better sales mix, improved margins and productivity improvement.

Financial charges for the year are Rs. 67.7 million and are 29% lower than the same period of last year. Strict control on working capital and short term borrowing in US Dollars at low rates helped to reduce our financial charges.

Notwithstanding the difficult economic environment within the country, sharp fall in the value of rupee against the US Dollar and sever competition in the market, the Company was successful in achieving a Profit before Tax of Rs. 241.0 million, as compared to Rs. 146.7 million in the same period of last year year. The profit after tax for the year amounted to Rs. 140.0 million compared to Rs. 85.7 million in the previous year.

This is a result of prudent cost controls, improved efficiencies and strategic decisions to ensure optimum product mix.

Dividends and Appropriations

For the current year, your Directors recommend payment of Rs. 3.25 per share (32.5%) as final cash dividend (2011: 20%). The appropriation of profit will be as under:

		2011-12 Rs. '000
The net profit after tax amounted to		139,956
To this is added un-appropriated profit brought forward from last year		89,594
Transfer from surplus on revaluation – Own		4,295
		233,845

Appropriations:

Payment of Final cash dividend at the rate of Rs. 2.00 per share (20%) for the year ended June 30, 2011		56,925
Transfer to General Reserve for the year ended June 30, 2011		32,500
Leaving un-appropriated profit to be carried forward		144,420
		233,845
Earning per share	Rs.	4.92

Subsequent Effects

Proposed final cash dividend of Rs. 3.25 per share for the year 2012	92,503
Transfer to General Reserve	51,500

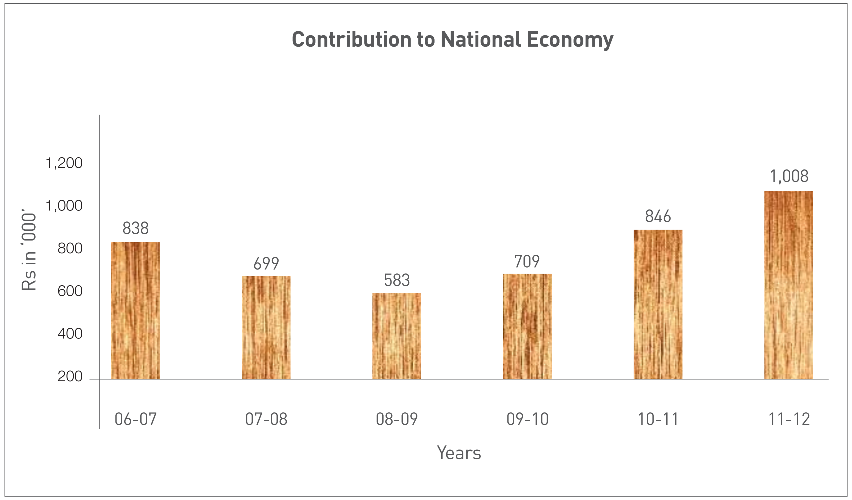
Cash Flow & Liquidity

The Company is constantly monitoring cash flow to ensure overall liquidity. During the financial year, Pakistan Cables net cash flow from operations was Rs. 496.8 million. The company was able to manage its operating cash flows by ensuring tight credit controls, better collections and recoveries of outstanding amounts over the course of the year.

Cash flows from investing activities benefited from the proceeds realized from sale of share of Jubilee General Insurance. The Company continued to monitor interest and foreign exchange rates to take advantage of any potential saving or hedging opportunities.

Contribution to National Economy

The Company's contribution to the National Exchequer by way of taxes, levies, sales tax, etc. amounted to Rs. 1,008 million during the year (2010-11: Rs.846 million.)



Corporate Governance

In compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance we are pleased to state that:

a. The financial statements, prepared by the Management of the Company, present its state of affairs fairly, the result of its operations, cash flows and the changes in equity.

b. Proper books of accounts have been maintained by the company.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the company's ability to continue as a going concern.

The key operating and financial data of last seven years is given on page 37, while the pattern of shareholding is provided on page 121.
The value of investments of provident and pension funds as per their accounts for the year ended December 31, 2011 are as follows:

Provident Fund	Rs. 142.219 Million
Pension Fund	Rs. 166.526 Million

During the year five (5) meetings of the Board of Directors, four (4) meetings of the Audit Committee and one (1) meeting of the Senior Management Human Resource and Compensation Committee were held. Attendance by each Director is as follows:

Board of Directors Meetings

Directors	No. of meetings attended
Mr. Towfiq H. Chinoy	04 / 05
Mr. Mustapha A. Chinoy	04 / 05
Mr. Haroun Rashid	05 / 05
Syed Naseem Ahmad	02 / 05
Mr. Shahid Aziz Siddiqui	02 / 05
Mr. Saquib H. Shirazi	03 / 05
Mr. Roderick Macdonald	04 / 05
Mr. Ernest Kenneth Sy Cuyegkeng	05 / 05
Mr. Kamal A. Chinoy	05 / 05

Audit Committee Meetings

Directors	No. of meetings attended
Mr. Haroun Rashid	04 / 04
Mr. Mustapha A. Chinoy	03 / 04
Mr. Roderick Macdonald	03 / 04

Senior Management Human Resource and Compensation Committee Meetings

Directors	No. of meetings attended
Mr. Towfiq H. Chinoy	01 / 01
Syed Naseem Ahmad	01 / 01
Mr. Mustapha A. Chinoy	01 / 01

Three (3) Directors of the Company have the certification of Directors Training Program from the Pakistan Institute of Corporate Governance.

Particulars of trading in the shares of the Company by the Directors, Chief Executive, Chief Financial Officer / Company Secretary, Executives and their spouses and minor children including shares gifted to / by them are given below:

	Transferor or transferee	Office held / Relationship	Number of shares	Whether by Sale / Purchase or gift
Mr. Mustapha A. Chinoy	Transferee	Director	850,209	Gift
Mr. Aslam Sadruddin	Transferee	Company Secretary	1,812	Purchase
Mr. M. Ashfaq Alam	Transferee / Transferor	Assistant Manager	873 (1,373)	Purchase Sale

Corporate Social Responsibility

At Pakistan Cables, Corporate Social Responsibility encompasses much more than social outreach programs and is an integral part of the way the Company conducts its business. Being a good corporate citizen is part of the Company's core values and is defined in the Company's Mission Statement. We believe that we need to make a conscious effort to consider and balance the interest of all stakeholders, in particular the community in which we live and who form our customer base.

The Company continues to play an active role in supporting social sector programs and has always been at the forefront in its recognition and responsibility towards meeting society needs.

Over the course of the year, the Company made a substantial donation to the Amir Sultan Chinoy Foundation, which is an institution mandated to undertake charitable activities in Social Welfare, Education and Health.

In addition, the Company gave large discounts on its products to charitable organizations and philanthropic projects throughout the year which includes The Kidney Center, Omer Sharif Welfare Trust, etc.

Factory visit by Electricians

Quality & Technology

Pakistan Cables is committed to strive for product quality, excellent customer service, innovation and efficiencies. The Company reiterates its commitment to consistently deliver enhanced value to customers, through continual improvement of its product and processes. The Company satisfactorily complies with all the requirements of the ISO 9001:2008 for all its products as certified by BVQI, UK.

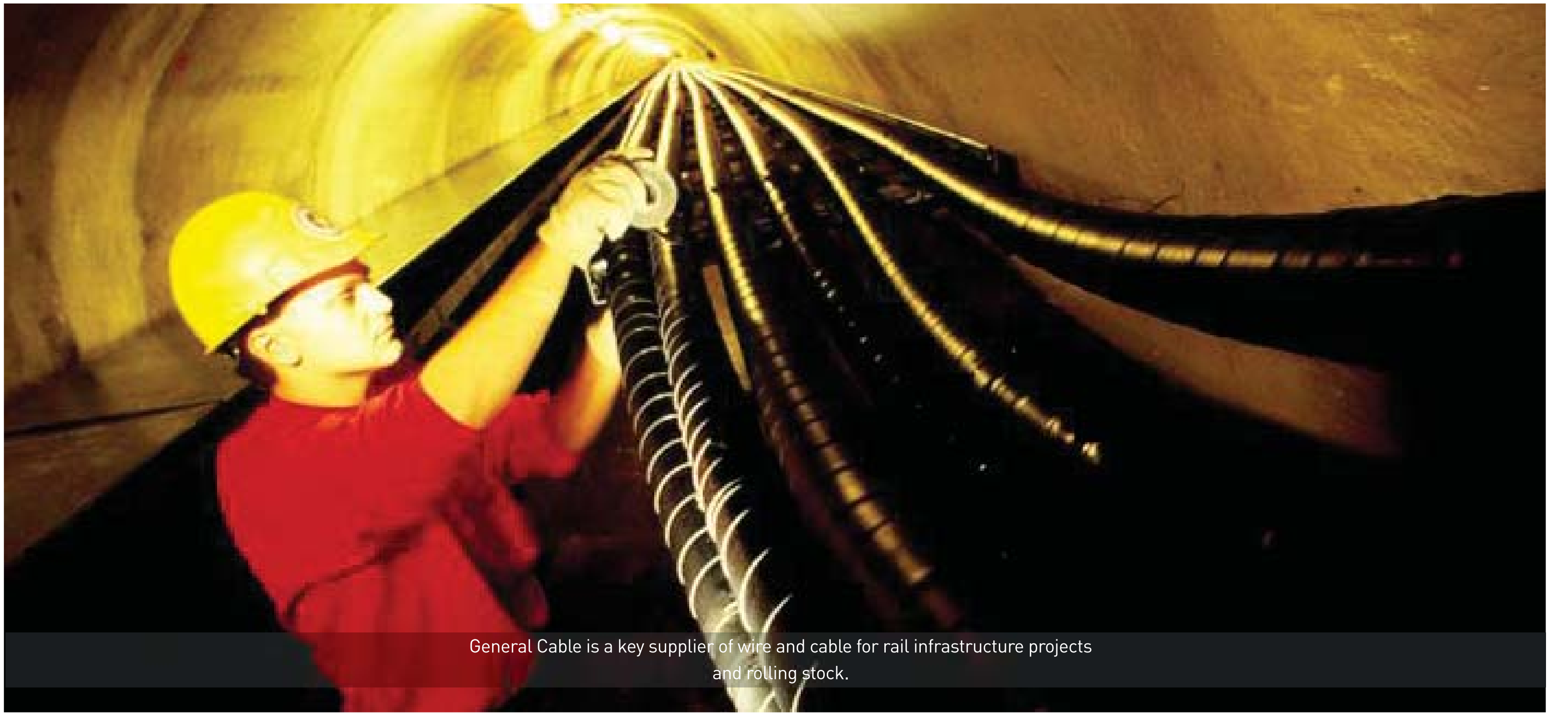
The Company has highly advanced Quality Assurance and PVC Laboratories which are equipped with the latest equipment and are manned by professional and skilled personnel who are engaged to check process variables in every step of manufacturing process, to ensure that all our final products are in compliance with the relevant international specifications. Pakistan Cables is the only cable manufacturer in Pakistan with medium and low voltage cables that have been accepted as world class following the type testing and certification of its products by KEMA high voltage laboratory in Netherlands. In addition to this, Pakistan Cables products are also CE (Conformité Européenne) certified, PSQCA certified and have also been successfully type tested in Pakistan's famous High Voltage & Short Circuit Laboratory in Rawat.

General Cable produces NSW® high-voltage submarine power cable at its manufacturing facility in Nordenham, Germany, and provides complete turnkey cable system solutions for offshore oil, gas and wind industries.

Business Process Improvement and Development

Improvement in business processes is paramount for any industry to stay competitive in today's market place. The Company is continuously engaged in business process re-engineering activities to optimize its activities and benefit from the technological advances in operational, technical and engineering functions. Current initiatives are underway that will improve efficiencies, lower inventories and reduce wastages. In this context, Pakistan Cables has engaged General Cable's experts on Lean Management to develop the Company in its path towards becoming a Lean Enterprise. The Company is currently undergoing this transition and the benefits of this program are already evident.

The Company is integrated backward for its two critical raw material inputs, in the form of state of the art copper rod and PVC compounding plants. The Company has also invested in a 2 MW tri-generation power plant. These plants ensure that the company has uninterrupted power supply and availability of key raw materials at lower input costs.



General Cable is a key supplier of wire and cable for rail infrastructure projects and rolling stock.

Information Technology

Pakistan Cables is actively pursuing its commitments towards modernization of its information technology and communication infrastructure by providing emerging technologies that provides better services to facilitate business efficiency and corporate expansion.

Safety, Health & Environment

Protecting the health and safety of our people and ensuring a healthy working environment is of great importance to Pakistan Cables. The Company is committed to working towards designing a workplace that minimizes work related risks and occupational health and safety. Your Company also lays great stress on environment protection. Plant operations are strictly controlled to maintain safe environment for workers as well as the surrounding community. Several measures have been taken to control pollution and to maintain a clean, green and healthy environment which includes prevention of process gas emission into the atmosphere, recycling of waste heat and continuous efforts to improve greenery and maintain a clean environment in and around the factory through horticulture, better housekeeping, etc. All potentially hazardous material is monitored by the Company to ensure that best practices are followed in environmental protection. For example, any anodizing waste is neutralized prior to discharge.

In-line with management's objective, Pakistan Cables is certified for OHSAS 18001:2007 (Occupational Health & Safety Management System) and ISO 14001:2004 (Environmental Management System). Pakistan Cables is the only cable manufacturer in Pakistan to achieve these certifications. The Company was also amongst a handful of companies in Pakistan to receive the prestigious award from the National Forum for Environment & Health's at 7th and 8th Annual Environment Excellence Awards.

In addition to our HSE initiatives, medical facilities are also provided to all employees and the Company operates an on-site dispensary with a full time doctor.

As the Company has its own Power Plant, with waste heat recovery and vapor absorption chillers, it is able to more efficiently utilize gas and electricity, thus ensuring energy conservation.

Factory visit by students of Indus Valley School of Arts and Architecture in April 2012

Training & Human Resource Development

Attracting and retaining the best talent is critical in enhancing and sustaining any company's performance. We strongly believe that employees are our greatest assets and therefore continue to work for its development. The main focus is on Human Resource Development, taking into account the industry norms and accomplishments. The Company continues to motivate its employees through proper placement, effective appraisal, employee recognition and skills development programs to develop the most competent and challenging work force.

Your Company attaches great importance to training and development of its employees. Various training programs were conducted using various methods to impart the best instructional techniques, like on the job, in-house training, job rotation, seminars, workshops, etc.

Staff Relations

The total number of employees as on June 30, 2012 was 439. The relationship with the employees at all levels remained cordial and conducive throughout the year. The Union-Management relations continued to be friendly and industrial peace prevailed during the year under review.

Auditors

The present auditors, M/s. KPMG Taseer, Hadi & Co., have retired and being eligible, have offered themselves for re-appointment. The Audit Committee and the Board of Directors have recommended their reappointment as auditors of the company for the year ending June 30, 2013.

Management team with Mr. Keith Macintosh, General Cable's expert on Lean Manufacturing

Business Risk and Challenges

Volatility in prices of Metals

Your Company is exposed to fluctuations in the prices of metals, particularly of copper, which have historically affected our operating results. To the extent higher copper prices result in increase in the costs of our product, we attempt to reflect the increase in the prices we charge our customers. Similarly, a reduction in copper prices is reflected through lower prices of our cables. While we historically have been able to pass on all or part of these cost increases to our customers, we may be unable to do so at times, due to prevailing slowdown and competition. In addition, as copper prices increase, our customers may delay or decrease their purchases of our wire and cable, which could adversely affect the demand for our products. The Company has comprehensive risk management and procurement strategies that ensure that fluctuations in the prices of copper and aluminium do not expose it to losses.

Foreign Exchange Risk

Your Company is also exposed to foreign exchange risk as most of the raw materials purchased are imported and are denominated in foreign currency, mainly US Dollars. Any sharp fall in the value of Rupee against the US Dollar will increase the cost of our inputs, resulting in lower margins.

Low quality cables and Counterfeits from un-organized sector

The influx of low quality cables from the unorganized sector has increased substantially during the last few years. Low qualities cables come in the form of various brands and often are also counterfeits of Pakistan Cables' products. This affects mainly the House-wiring and the low voltage segment as it is fed by low tech unscrupulous manufacturers using low quality and scrap raw material. Unless proper quality standards and intellectual property laws are enforced, this could affect our sales.

Risk Associated with Inventory

Our business requires us to maintain certain levels of inventory. We must identify the right mix and quantity of products to keep in our inventory to meet customer orders. Failure to do so could adversely affect our sales and profit. However, if our inventory levels are too high, we are at risk that unexpected changes in circumstances, such as shift in market demand or drop in prices, could have material adverse impact on the net realizable value of our inventory.

Increase in Competition

Your company operates in a highly competitive industry. To the extent existing or future competitors seek to gain or retain market share by reducing prices, we may also be required to lower our prices, thereby adversely affecting our financial results.

Downturn in Capital Spending by Customers

Majority of our products are used in construction, maintenance and operation of facilities, engineering, energy, infrastructure, petrochemical, textile and fertilizer industries. The demand of our products also depends on the capital spending levels of end-users. Many of them defer capital expenditures or cancel projects during economic downturns. Until the economy of the country recovers, the demand for our products may remain weak, which could have an adverse affect on our results.

Overall, your Company is vigilant and aware of the risks it faces and has put in place an encompassing risk management system in order to avoid, mitigate or transfer risks, where possible.

Future Prospects

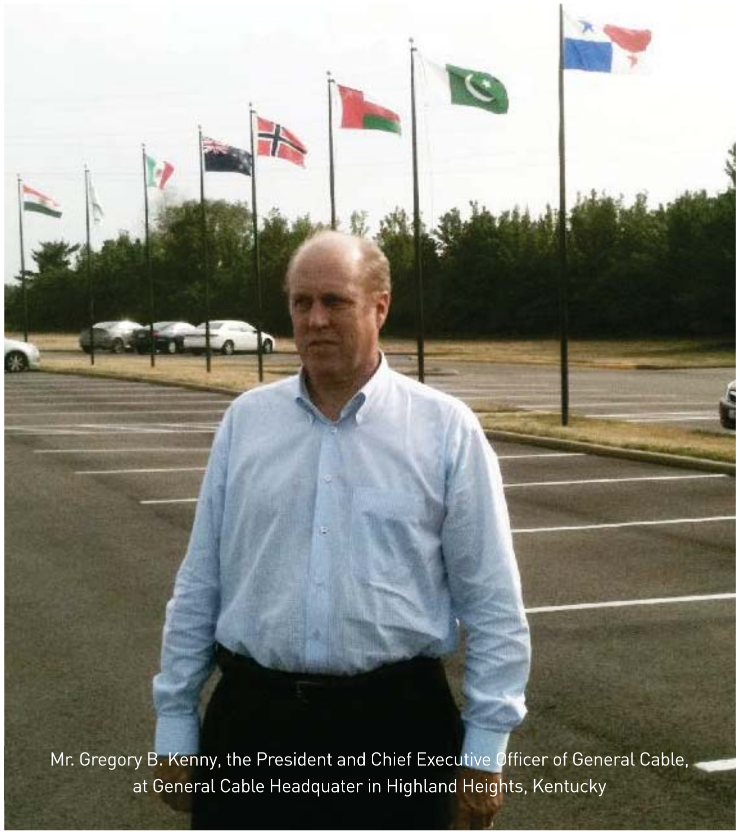
While the Company had benefited from sustained economic growth up until 2007, the last few years have remained challenging. The Company has responded to this challenge by undertaking an aggressive and proactive marketing strategy and despite uncertainty in demand has been able to increase sales both in terms of volume and value during 2011-12. Moreover, this strategy has allowed the Company to secure a healthy amount of orders going into the first quarter of 2012-13.

General Cable manufactures a broad range of solar generation, transmission and distribution cables that link solar power sources to the grid and beyond.

The Economic Outlook of Pakistan adopted by the Annual Plan Coordination Committee shows that Pakistan's economy is expected to achieve 4.3% GDP growth in 2012-13 with contribution of agriculture, manufacturing and services sectors of 4.1%, 3.9% and 4.6%, respectively. Moreover, the current year is an election year and customers may remain cautious about progressing large scale projects until the outcome of the election is clear.

In this context, the Company continues to remain proactive in marketing its products. In addition, the strategy of your company is to continue to concentrate on the development of its core business and to realize benefits from investments made in state of the art wire & cable machinery and projects. In addition, a critical analysis of inventories and wastages and the implementation of Lean manufacturing as a way of life within the Company will help the Company lower costs. However, as there is currently excess capacity in the cable industry in Pakistan and the outlook for additional business remains unclear, margins could come under pressure.

Our focus will remain on providing best-in-class customer services and through this effort retain existing customers and acquire new business. Moreover, we will continue to leverage our association with General Cable through technical support, process engineering reviews and procurement opportunities. In addition, Pakistan Cables is able to offer its customers a one-stop shop solution by making available through the General Cable network all those cables not manufactured in Pakistan.


Mr. Gregory B. Kenny, the President and Chief Executive Officer of General Cable, at General Cable Headquater in Highland Heights, Kentucky

Excellence Awards

The Joint Committee of ICAP & ICMAP selected Pakistan Cables amongst the winners of the Best Corporate Report Award in the Engineering sector for the year 2010. The Best Corporate Report Awards are held annually to encourage better financial reporting, transparency and accountability. This is the fourth time that Pakistan Cables has been selected amongst the winners, highlighting the company's commitment to its shareholders through transparent financial reporting and corporate governance best practices.

Mr. Aslam Sadruddin, Finance Director, receiving the Best Corporate Report Award at a ceremony held by ICAP / ICMAP

Acknowledgement

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 throughout the year. 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 and bankers for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

On behalf of the Board

TOWFIQ H. CHINOY
Chairman

KAMAL A. CHINOY
Chief Executive

KARACHI: September 19, 2012

The Audit Committee of the Board

Constitution

The Audit Committee (the Committee) is a Committee of the Board constituted by a resolution of the Board dated June 28, 2002. The Terms of Reference of the Committee is as under:-

Membership

The Committee shall be appointed by the Board and shall comprise of not less than three members majority of whom shall be non-executive Directors. Two members shall constitute a quorum. In case if any member is out of country then he can appoint any other director as his replacement for the period, however, such replacement should be in a manner that the majority of the members of the committee shall always consist of non-executive directors. The period of appointment shall be determined by the Board who shall have the powers to remove members or add new members at anytime.

The Chairman of the Committee who should be a non executive director, shall be appointed by the Board.

Frequency of Meetings

Meetings of the Committee shall be held not less than four times a year.

Attendance at Meetings

The Committee, at its discretion, may require the Chief Executive, Finance Director and other Senior Management to attend meetings and provide information and explanations relevant to the Company and its operations as outlined below. The Committee may, again at its discretion, ask the company's external auditors to attend meetings and answer questions relating to the company's financial controls and audit procedures. The committee may also invite other non-executive Directors to its meetings as appropriate.

Specific and General Areas of Activity Which the Committee is Required to Monitor and Oversee on Behalf of the Board

The Audit Committee shall;

a. be responsible for recommending to the Board of Directors the appointment of external auditors by the company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the listed company in addition to audit of its financial statements,
b. determine appropriate measures to safeguard the listed company's assets,
c. review preliminary announcements of results prior to publication,
d. review quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
    - major judgmental areas;

- significant adjustments resulting from the audit;
- the going-concern assumption;
- any changes in accounting policies and practices;
- compliance with applicable accounting standards; and
- compliance with listing regulations and other statutory and regulatory requirements.

e. facilitate the external audit and conduct discussion with external auditors on major observations arising from interim and final audits and on any matter that the auditors may wish to highlight (in the absence of management, where necessary),
f. review of management letter issued by external auditors and management's response thereto,
g. ensure coordination between the internal and external auditors of the company,
h. review the scope and extent of internal audit and ensure that the internal audit function has adequate resources and is appropriately placed within the company,
i. consider major findings of internal investigations and management's response thereto,
j. ascertain that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective,
k. review the company's statement on internal control systems prior to endorsement by the Board of Directors,
l. institute special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body,
m. determine compliance with relevant statutory requirements,
n. monitor compliance with the best practices of corporate governance and identify significant violations thereof, and
o. consider any other issue or matter as may be assigned by the Board of Directors.

Reporting Procedures

The Committee shall report to the Board through its Chairman, it may raise any matter within its terms of reference and may make comments and make proposals. The Secretary (who shall be the Internal Auditor) shall circulate the minutes of meetings of the Committee after their approval by the committee Chairman to all members of the Board.

Management Committee

The mission of the management Committee is to support the Chief Executive Officer to determine and implement the business policies within the strategy approved by the Board of Directors.

Members

• Chief Executive Officer	Chairman
• Deputy Chief Executive	Member
• Director Finance	Member

Role of the committee

The Committee is responsible for the following:

- Review matters / suggestions arising from Operations Committee meetings and take decisions as necessary to improve efficiencies, operations, safety, reduce costs etc.
- Discuss, define and update HR policies.
- Approve parameters for annual increments and ex-gratia.
- Approve all promotions and transfers relating to management staff.
- Assign tasks to the Operations Committee and expand (or subtract) their charter.
- Review & propose annual budget to the BOD.
- Review company strategy and its implementation. Implement changes as required within the guidelines approved the BOD.
- Explore new avenues for business.
- Take on any other tasks assigned to it by the CEO or Board Committees.
- Deal with issues arising from Internal Audit investigations.

Committee procedures

Formal meetings will be conducted on a monthly basis or more frequently as circumstances dictate.

The Director Finance is the Secretary of the Management Committee. A record will be maintained of the minutes of the formal and informal meetings of the Management Committee. Minutes of the meeting will be circulated to all members of the Management Committee within seven days of the meeting.

In order to form a quorum at least 2 members need to be present including the Chief Executive.

Operations Committee

The mission of the Operations Committee is to support the Management Committee in implementing the business policies within the strategy approved by the Board of Directors.

Members

- Deputy Chief Executive — Chairman
- Manager Finance — Member/Secretary
- Production Manager — Member
- General Manager HR & Admin — Member
- Manager Materials — Member
- Director Finance — Vice Chairman
- Manufacturing Manager — Member
- Engineering Manager — Member
- Manager Technical — Member
- Product Manager GWC — Member

Role of the Committee

The Committee is responsible for the following:

- Review in detail ways to cut costs and recommend the same to the Management Committee.
- Review in detail ways to improve efficiencies and recommend the same to the Management Committee.
- Review progress of departments towards their respective annual budgets (expenses, output, sales etc).
- Review progress of departments towards their respective annual goals.
- Review safety measures and recommend improvements to the Management Committee.
- Review and monitor the supply chain and ensure raw material availability for all products.
- Review and monitor work in progress and finished goods and take actions to control these.
- Define and monitor Key Management Indicators for each department.
- Review staff training needs.
- Identify capital investment projects and propose the same to the Management Committee.

Committee Procedures

Formal meetings are to be conducted on a monthly basis or more frequently as circumstances dictate.

The Manager Finance is the Secretary of the Operations Committee. A record will be maintained of the minutes of the Operations Committee. Minutes of the meeting will be circulated to all members of the Operations Committee within seven days of the meeting. On approval, the minutes of the meeting are sent to all members of the Management Committee.

The Operations Committee may form sub committees as and when deemed necessary. The Operations Committee may invite other members as and when deemed necessary and may exempt members from meetings if they are deemed superfluous.

In order to form a quorum for the meeting, at least four members shall be present. In the absence of the Chairman, Director Finance will chair the meeting.

Statement of Compliance with the Code of Corporate Governance

For the year ended 30 June 2012

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of The Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr. Saquib H. Shirazi Mr. Shahid Aziz Siddique
Executive Directors	Mr. Kamal A. Chinoy
Non-Executive Directors	Mr. Towfiq H. Chinoy Mr. Mustapha A. Chinoy Mr. Haroun Rashid Syed Naseem Ahmad Mr. Roderick Macdonald Mr. Ernest Kenneth Sy Cuyegkeng

   The independent directors meets the criteria of independence under clause i (b) of the CCG.
2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year. .
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.

8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The directors have been provided with copies of the listing regulations of the Karachi Stock Exchange (Guarantee) Limited, Company's Memorandum and Articles of Association and the Code of Corporate Governance and they are well conversant with their duties and responsibilities.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the chairman of the committee is a non-independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed a Senior Management Human Resource & Compensation Committee. It comprises three members, of whom all are non-executive directors and the chairman of the committee is a non-independent director.
18. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

TOWFIQ H. CHINOY
Chairman

KAMAL A. CHINOY
Chief Executive

Date: 19 September 2012

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Pakistan Cables Limited** ("the Company") to comply with the Listing Regulations of the Karachi Stock Exchange.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of The Karachi Stock Exchange where the Company is listed, require the company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transaction which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June 2012.

KPMG Taseer Hadi & Co.

Date: 19 September 2012
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Auditors' Report to the Members

We have audited the annexed balance sheet of **Pakistan Cables Limited** ("the Company") as at 30 June 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:
   - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
   - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
   - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2012 and of the profits, cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Date: 19 September 2012
Karachi

Balance Sheet

As at 30 June 2012

EQUITY AND LIABILITIES

	Note	2012	2011
		(Rupees in '000)	
Share capital and reserves			
Share capital	4	284,623	284,623
Share premium reserve		527,800	527,800
General reserves		504,000	471,500
Unappropriated profit		144,420	89,594
		1,460,843	1,373,517
Surplus on revaluation of land and buildings - net of tax	5	691,554	695,849
Non-current liabilities			
Long-term loans	6	3,125	26,875
Deferred liability for staff gratuity	7	23,334	21,103
Other long-term employee benefits	8	14,555	12,597
Deferred tax liability - net	9	141,734	138,724
Total non current liabilities		182,748	199,299
Current liabilities			
Current portion of long-term loans	6	23,750	84,083
Trade and other payables	10	768,664	481,990
Short term borrowings	11	544,685	964,655
Mark-up accrued on bank borrowings		6,913	8,383
Total current liabilities		1,344,012	1,539,111
Contingencies and commitments	12		
Total equity and liabilities		3,679,157	3,807,776

The annexed notes from 1 to 40 form an integral part of these financial statements.

ASSETS

	Note	2012	2011
		(Rupees in '000)	
Non-current assets			
Property, plant and equipment	13	1,495,289	1,581,533
Investments in associates	14	18,405	111,877
Long-term loans	15	2,201	3,085
Long-term security deposits		2,567	2,453
Total non current assets		1,518,462	1,698,948
Current assets			
Stores and spares	16	26,953	24,972
Stock-in-trade	17	1,246,909	1,322,151
Trade debts	18	715,687	476,898
Short-term loans and advances	19	6,848	6,002
Short-term deposits and prepayments	20	6,839	3,669
Other receivables	21	4,712	17,813
Advance tax - net of provisions		147,655	215,493
Cash and bank balances	22	5,092	41,830
Total current assets		2,160,695	2,108,828
Total assets		3,679,157	3,807,776

Kamal A. Chinoy	**Haroun Rashid**	**Aslam Sadruddin**
Chief Executive	Director	Finance Director

Profit and Loss Account
For the year ended 30 June 2012

	Note	2012	2011
		(Rupees in '000)	
Net sales	23	5,344,571	4,096,391
Cost of sales	24	(4,656,976)	(3,576,776)
Gross profit		687,595	519,615
Selling costs	25	(189,255)	(161,885)
Administrative expenses	26	(106,639)	(101,660)
		(295,894)	(263,545)
		391,701	256,070
Other operating expenses	27	(58,993)	(17,127)
Other operating income	28	15,734	11,730
		(43,259)	(5,397)
		348,442	250,673
Finance expenses	29	(67,704)	(95,932)
Share of profit from associates		8,218	7,941
Impairment loss on investments	14	(48,000)	(16,000)
Profit before income tax		240,956	146,682
Taxation	30	(101,000)	(61,000)
Profit for the year		139,956	85,682
		(Rupees)	
Earnings per share - basic and diluted	31	4.92	3.34

The annexed notes from 1 to 40 form an integral part of these financial statements.

Kamal A. Chinoy	**Haroun Rashid**	**Aslam Sadruddin**
Chief Executive	Director	Finance Director

Statement of Comprehensive Income
For the year ended 30 June 2012

	2012	2011
	(Rupees in '000)	
Profit after tax for the year	139,956	85,682
Other comprehensive income	-	-
Total comprehensive income for the year	139,956	85,682

The annexed notes from 1 to 40 form an integral part of these financial statements.

Kamal A. Chinoy
Chief Executive

Haroun Rashid
Director

Aslam Sadruddin
Finance Director

Cash Flow Statement
For the year ended 30 June 2012

	Note	2012	2011
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	595,836	155,817
Gratuity paid	7.4	(459)	(828)
Finance expenses paid		(69,174)	(107,527)
Taxes paid - net		(30,152)	(50,146)
Long term loans		884	(1,157)
Long term security deposits		(114)	(188)
Net cash flows from operating activities		496,821	(4,029)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(35,890)	(34,217)
Sale proceeds on disposal of fixed assets	13.1.2	3,043	3,197
Proceeds from sale of investments		56,852	-
Interest received		240	418
Dividends received		2,466	3,264
Net cash flows from investing activities		26,711	(27,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		-	597,800
Repayment of long term loans		(84,083)	(253,226)
Net (decrease) / increase in short-term finance		(485,561)	45,047
Dividends paid		(56,217)	(31,774)
Net cash flows from financing activities		(625,861)	357,847
Net increase / (decrease) in cash and cash equivalents		(102,329)	326,480
Cash and cash equivalents at beginning of the year		(11,560)	(338,040)
Cash and cash equivalents at end of the year	33	(113,889)	(11,560)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Kamal A. Chinoy
Chief Executive

Haroun Rashid
Director

Aslam Sadruddin
Finance Director

Statements of Changes in Equity

For the year ended 30 June 2012

	Share capital	Share premium reserve	General reserve	Unappropriated profit	Total
	--		(Rupees in '000)	--	
Balance as at 01 July 2010	214,623	-	455,000	49,190	718,813
Total comprehensive income for the year ended 30 June 2011	-	-	-	85,682	85,682
Transactions with owners recorded directly in equity					
Final cash dividend for the year ended 30 June 2010	-	-	-	(32,194)	(32,194)
Issue of 7,000,000 ordinary shares of Rs.10 each at share premium of Rs.75.4 per share	70,000	527,800	-	-	597,800
	70,000	527,800	-	(32,194)	565,606
Transfer to general reserve for the year ended 30 June 2010	-	-	16,500	(16,500)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	-	3,416	3,416
Balance as at 30 June 2011	284,623	527,800	471,500	89,594	1,373,517
Total comprehensive income for the year ended 30 June 2012	-	-	-	139,956	139,956
Transactions with owners recorded directly in equity					
Final cash dividend for the year ended 30 June 2011	-	-	-	(56,925)	(56,925)
Transfer to general reserve for the year ended 30 June 2011	-	-	32,500	(32,500)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	-	4,295	4,295
Balance as at 30 June 2012	**284,623**	**527,800**	**504,000**	**144,420**	**1,460,843**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Kamal A. Chinoy
Chief Executive

Haroun Rashid
Director

Aslam Sadruddin
Finance Director

Notes to the Financial Statements
For the year ended 30 June 2012

1. LEGAL STATUS AND OPERATIONS

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. 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 PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that the land and building are stated at revalued amounts, less accumulated depreciation and impairment losses, if any.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupee which is the Company's functional currency. All financial information presented in Pakistani rupee has been rounded off to the nearest thousand.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the future years are as follows:

2.4.1 Income taxes

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4.2 Staff retirement benefits and staff compensated absences

Certain actuarial assumptions have been adopted as disclosed in these financial statements for actuarial valuation of funded pension and unfunded gratuity schemes (note 7.1) and compensated absences. Changes in these assumptions may effect the liability under these schemes in current and future years.

2.4.3 Trade and other debts

Impairment loss against doubtful trade and other debts is made on judgemental basis, for which provision may differ in the future years based on the actual experience. The difference in provision if any, would be recognised in the future years.

2.4.4 Property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its plant and equipment. The estimates for revalued amounts of land and buildings are based on a valuation carried out by external professional valuer of the Company. The Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding effect on the depreciation charge and impairment.

2.4.5 Stock in trade and stores and spares

The Company reviews the net realizable value of stock in trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and stores and spares with a corresponding effect on the profit and loss account of those future years.

2.4.6 Investment in associates

The Company determines that a significant and prolonged decline in the fair value of its investment in associates below its cost is an objective evidence of impairment. The impairment loss is recognised when the carrying amount exceed the higher of fair value less cost to sell and value in use.

2.5 **Standards, Interpretations and Amendments not yet effective**

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2012:

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Company.

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The Company's policy for recognition of actuarial gains and losses is already in compliance with the amendment.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard. The amendments have no impact on financial statements of the Company.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.

- Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following five standards, with consequential amendments to other standards and interpretations.

- IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period – which is the preceding period – is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement is material to statement of financial position.

- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.

- IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

- IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

3.1 Investments in associates - equity method

Investments in associates where the Company has significant influence but not control over the financial and operating policies are accounted for using equity basis of accounting, under which the investments in associates are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of the profit or loss of the associates after the date of acquisition, less impairment losses, if any. The Company's share of the profit or loss of the associates is recognised in the Company's profit or loss. Distributions received from associates reduce the carrying amount of the investment. Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the associates arising from changes in the associates' equity that have not been recognised in the associates' profit or loss. The Company's share of those changes is recognised directly in equity of the Company.

Gain / (loss) on sale of above investments, if any, are recognised in the period of sale. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and loss, if any is recognised in the profit and loss account.

3.2 Staff retirement benefits

Defined benefit plans

The Company operates a defined benefit funded pension scheme for all permanent employees who are in the management cadre and the executive directors.

In addition, the Company operates an unfunded gratuity scheme, for all permanent employees other than those covered by the pension fund scheme.

The Company's obligation under the pension and gratuity schemes is determined through actuarial valuations carried out under the "Projected Unit Credit Method". Actuarial valuations are conducted annually and the latest valuation was conducted at the balance sheet date (30 June 2012). Actuarial gains and losses arising during the year are included in income currently. Past service cost resulting from changes to defined benefit plans to the extent the benefits are already vested is recognised immediately and remaining unrecognised past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested.

Defined contribution plan

The Company also operates a recognised provident fund scheme for its employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic pay and dearness allowance.

3.3 Financial liabilities

Financial liabilities include long-term loan, short-term borrowings, trade and other payables and mark-up accrued on bank borrowings. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest rate method, where applicable. The Company derecognises the financial liabilities when it ceases to be a party to the contractual provisions of such instruments.

3.4 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current

Provision for current taxation in the accounts is based on taxable income at the current rates of taxation after taking into account the available tax credits and tax rebates.

Deferred

Deferred tax is recognised using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their tax base. This is recognised on the basis of the expected manner of the realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised. The Company also recognises deferred tax liability on surplus on revaluation of fixed assets which is adjusted and the related surplus in accordance with the requirements of International Accounting Standard 12 'Income Taxes'.

3.5 Property, plant and equipment

- Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except that buildings are stated at revalued amount less accumulated depreciation and impairment losses, if any, while land is stated at revalued amount (less impairment losses, if any). Capital work-in-progress is stated at cost accumulated to the balance sheet date less impairment losses, if any. Cost of leasehold land is not amortised since the lease is renewable at nominal price at the option of the lessee.

- Depreciation is charged to income applying the straight line method where by the cost of an asset is written off over its estimated useful life. Depreciation on addition is charged from the month the asset is available for use, while in case of disposal it is charged upto the month of disposal.

- International Accounting Standard 16 'Property, Plant and Equipment' requires an annual review of the useful lives and depreciation method. Accordingly during the year the management carried out a review of the above and reduced the estimated useful lives of loose tools and computer equipments (included in the category of "Office equipment and appliances"). The management believes that the above change reflects a more systematic allocation of depreciable amount of these assets over their useful lives.

  The above revision has been accounted for as change in accounting estimates in accordance with the requirements of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly, the effect of these changes in accounting estimates has been recognised prospectively. The effect of above changes on depreciation expense recognised and to be recognised in current and future years is as follows:

	2012	2013	2014	Onwards
	(Rupees in '000)			
Increase / (decrease) in depreciation expense	238	296	103	(637)

- Surplus on revaluation of building to the extent of incremental depreciation charged there on is transferred from surplus on revaluation of building to retained earnings (unappropriated profit), net of deferred tax.

- Expenditure incurred subsequent to the initial acquisition of asset is capitalised only when it increases the future economic lives embodied in the items of above assets. All other expenditure is recognised in the profit and loss account as an expense is incurred.

- Gains and losses on disposal are included in income currently.

3.6 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred, except that those which are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

3.7 Stores and spares

Stores and spares are stated at lower of cost and net realisable value. Cost is determined using weighted average method. Items in-transit are valued at cost comprising invoice value and other charges paid thereon.

3.8 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined under the weighted average basis. Cost of work-in-process and finished goods consists of direct materials, labour and applicable production overheads. Net realizable value signifies the estimated selling price in the ordinary course of the business less estimated cost of completion and selling expenses.

Items in-transit are valued at cost comprising invoice value plus other charges paid thereon up to the balance sheet date.

Scrap is valued at estimated realizable value.

3.9 Financial assets other than investments

Financial assets includes trade debts, other receivables, loans, advances and deposits. These are recognised initially at fair value plus directly attributable transaction costs, if any and subsequently measured at amortised cost using effective interest rate method if applicable, less provision for impairment, if any. A provision for impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The Company derecognises the financial assets when it ceases to be a party to the contractual provisions of such assets.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Short term running finances that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.11 Foreign currency translation

Transactions in foreign currencies are recorded in Pakistan rupees at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported in Pakistani rupees at the rates of exchange ruling at the balance sheet date. Exchange gains and losses on translation are included in income currently.

3.12 Revenue recognition

Revenue from sale of goods is measured at fair value of the consideration received or receivable. The Company records revenue from sale of goods on dispatch of goods to its customers.

3.13 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amount of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.15 **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.16 **Dividends and reserve appropriation**

Dividends and reserve appropriations are recognized in the period in which these are declared / approved.

4. SHARE CAPITAL

2012	2011		2012	2011
(Number of shares)			(Rupees in '000)	
Authorised				
30,000,000	30,000,000	Ordinary shares of Rs. 10 each	300,000	300,000
Issued, subscribed and paid up				
8,475,225	8,475,225	Ordinary shares of Rs. 10 each fully paid in cash	84,752	84,752
174,775	174,775	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	1,748	1,748
19,812,376	19,812,376	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	198,123	198,123
28,462,376	28,462,376		284,623	284,623

5. SURPLUS ON REVALUATION OF LAND AND BUILDINGS - net of tax

	2012	2011
	(Rupees in '000)	
Own assets		
Leasehold land		
Balance as at July 01	590,950	613,250
Decrease in surplus on revaluation carried out as at 30 June 2011	-	(22,300)
	590,950	590,950
Buildings		
Revaluation surplus over written down value at beginning	161,382	103,992
Surplus arising on revaluation carried out as at 30 June 2011	-	62,645
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(4,295)	(3,416)
Related deferred tax liability of incremental depreciation charged during the year	(2,313)	(1,839)
	154,774	161,382
Related deferred tax liability at beginning of the year	(56,483)	(36,397)
Related deferred tax liability on revaluation carried out as at 30 June 2011	-	(21,925)
Less: Related to incremental depreciation charged during the year	2,313	1,839
	(54,170)	(56,483)
	691,554	695,849

6. LONG-TERM LOANS - Secured

	2012	2011
Loans from banking companies	26,875	110,958
Current portion shown under current liabilities	(23,750)	(84,083)
	3,125	26,875

6.1 All long term loans are secured against hypothecation of specific items of plant and machinery.

6.2 The rate of mark-up on these loans ranges from 13.01% to 13.26% (2011:14.75% to 15.15%). The maturity period of these loans ranges between 02 June 2013 to 11 December 2013 (2011: 03 August 2011 to 11 December 2013).

7. STAFF RETIREMENT BENEFITS - defined benefit plans

The details of the actuarial valuation under the projected unit credit method as at 30 June 2012 for funded pension and unfunded gratuity schemes are as follows:

7.1 Actuarial assumptions

	2012		2011	
	Pension	Gratuity	Pension	Gratuity
	-----------%-----------		-----------%-----------	
Discount rate	13.25	13.25	14	14
Expected rate of salary increase	11	11	11.75	11.75
Expected rate of return on plan assets	13.25	-	14	-
Pension increase	3	-	3.75	-

7.2 Balance sheet reconciliation

		2012		2011	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)		(Rupees in '000)	
Fair value of plan assets	7.3	201,036	-	175,245	-
Present value of defined benefit obligations	7.4	(196,324)	(23,334)	(168,288)	(21,103)
Net asset / (liability)		4,712	(23,334)	6,957	(21,103)

7.3 Changes in fair value of plan assets

	2012		2011	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)		(Rupees in '000)	
Fair value as at 1 July	175,245	-	219,391	-
Expected return on plan assets	24,331	-	28,522	-
Net actuarial (loss) / gain	(5,286)	-	(4,900)	-
Benefits paid	(6,619)	-	(103,582)	-
Contribution to fund	13,365	-	35,814	-
Fair value as at 30 June	201,036	-	175,245	-

7.4 Changes in present value of defined benefit obligation

	2012 Pension	2012 Gratuity	2011 Pension	2011 Gratuity
Obligation as at 1 July	168,288	21,103	233,256	18,224
Current service cost	2,972	1,656	10,100	1,466
Interest cost	23,112	2,923	29,836	2,317
Actuarial loss / (gain)	8,571	(1,889)	(1,322)	(76)
Benefits paid	(6,619)	(459)	(103,582)	(828)
Obligation as at 30 June	196,324	23,334	168,288	21,103

7.5 Amounts recognised in the profit and loss account

	2012 Pension	2012 Gratuity	2011 Pension	2011 Gratuity
Current service cost	2,972	1,656	10,100	1,466
Interest cost	23,112	2,923	29,836	2,317
Expected return on plan assets	(24,331)	-	(28,522)	-
Net actuarial loss / (gain)	13,857	(1,889)	3,578	(76)
	15,610	2,690	14,992	3,707

7.6 Recognised asset / (liability)

	2012 Pension	2012 Gratuity	2011 Pension	2011 Gratuity
Balance as on 1 July	6,957	(21,103)	(13,865)	(18,224)
Expense recognised	(15,610)	(2,690)	(14,992)	(3,707)
Payments during the year	13,365	459	35,814	828
Company's asset / (liability) at 30 June	4,712	(23,334)	6,957	(21,103)

		2012		2011	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)		(Rupees in '000)	
7.7	**Actual return on plan assets**	19,045	-	23,622	-

		2012		2011	
7.8	**Fund investments composition / fair value of plan assets (in percentage)**				
	Debt instruments	90%	-	78%	-
	Equity	3%	-	7%	-
	Cash	7%	-	15%	-

7.9 Historical information

	2012	2011	2010	2009	2008
	---(Rupees in '000)---				
Fair value of plan assets	201,036	175,245	219,391	185,133	156,408
Present value of the defined benefit obligation	(219,658)	(189,391)	(251,480)	(215,750)	(187,458)
Deficit in the plan	(18,622)	(14,146)	(32,089)	(30,617)	(31,050)

7.10 Experience adjustments

	2012	2011	2010	2009	2008
- on plan assets	-3%	-3%	2%	-6%	-2%
- on plan liabilities	3%	10%	2%	-	7%

8. OTHER LONG -TERM EMPLOYEE BENEFITS

This represents accrual for staff compensated absences and includes liability in respect of key management personnel amounting to Rs. 0.795 million (2011: Rs.0.58 million).

9. DEFERRED TAX LIABILITY - net

	Note	2012	2011
		(Rupees in '000)	
Taxable temporary differences			
Accelerated tax deprecation		149,971	165,563
Surplus on revaluation of building	5	54,170	56,483
		204,141	222,046
Deductible temporary differences			
Provision for staff retirement and other benefits		(8,167)	(7,386)
Provision for doubtful debts		(8,050)	(6,783)
Provision for slow-moving stores and spares		(3,527)	(3,687)
Provision for import levies and other taxes		(42,663)	(43,307)
Carried forward tax losses etc.		-	(22,159)
		(62,407)	(83,322)
		141,734	138,724

10. TRADE AND OTHER PAYABLES

	Note	2012	2011
Creditors	10.1	277,784	36,706
Accrued expenses		75,199	42,303
Advances from customers		223,654	224,086
Deposits from distributors		8,432	8,422
Payable to staff provident fund		1,299	-
Provision for import levies	10.2	96,893	123,733
Sales tax payable		11,337	-
Special excise duty payable		-	8,206
Workers' profit participation fund	10.3	15,526	8,923
Workers' welfare fund		6,888	4,845
Income tax deducted at source		1,744	1,636
Unclaimed dividend		7,168	6,460
Others		42,740	16,670
		768,664	481,990

10.1 This includes mark-up free unsecured balance of Rs. 0.328 million (2011: Rs. 0.764 million) payable to related parties.

		2012	2011
		(Rupees in '000)	

10.2 Provision for import levies

This represents provision for import levies on raw materials. The movement in this provision during the year is as follows:

Balance as on 1 July		123,733	97,301
Charge for the year - net		16,122	26,432
		139,855	123,733
Amount paid during the year	10.2.1	(42,962)	-
Balance as at 30 June		96,893	123,733

10.2.1 This reflects payment against the liability of infrastructure cess pertaining to the consignments cleared between 28th December 2006 to 30th May 2011.

The Company along with many other companies had filed appeal against the levy of Infrastructure Cess at import stage by Provincial Government. The case was initially decided by the High Court of Sindh in the year 2008 according to which this levy was applicable for the period from 28th December 2006 onwards while it was not applicable on consignments cleared prior to this date. The decision was challenged by both the department and the companies in the Supreme Court which referred back the matter to High Court in the year 2011. The High Court has now passed an interim order through which all the appellant companies were required to pay 50% of the amount involved in this respect on the consignments cleared between 28th December 2006 to 30th May 2011 and to give bank guarantee for the balance amount. The guarantees submitted for the period prior to 28th December 2006 were also to be released by the department. Further, all consignments after 30th May 2011 are being released on the basis of 50% payment in cash and 50% in shape of bank guarantee. This is an interim arrangement and is subject to the final order by the High Court which may be issued in due course of time. The above payment was made by the company in accordance with the interim order of the High Court.

10.3 Workers' profit participation fund

Balance as on 1 July		8,923	3,121
Mark-up on funds utilised in the Company's business	29	239	106
Allocation for the year		15,288	8,823
		24,450	12,050
Amount paid to the fund		(8,924)	(3,127)
Balance as at 30 June		15,526	8,923

11.SHORT TERM BORROWINGS

	Note	2012	2011
		(Rupees in '000)	
From banking companies - secured			
Running finance under mark-up arrangements	11.1	118,981	53,390
Short term finance	11.2	425,704	-
Foreign currency import finance		-	911,265
		544,685	964,655

11.1 Running finance under mark-up arrangements

The Company has arranged short-term running finance facilities from certain banks. The overall facility for these running finances under mark-up arrangements amounts to Rs. 2,195 million (2011: Rs. 2,195 million). The rate of mark-up on the running finance facilities ranges between 12.91% to 14.04% per annum net of prompt payment rebate (2011: 14.52% to 15.65% per annum). These facilities will expire between 30 June 2012 to 31 October 2012 and are renewable.

11.2 Short term finance

The amount outstanding against the term finance facility as at June 30, 2012 available from banks was Rs. 425.7 million (30 June 2011: Nil) earmarked out of the total running finance facilities of Rs. 1,546 million obtained from these banks. Mark-up on term finance is agreed at each disbursement.

11.3 Other facilities

The facility for opening letters of credit and guarantees as at 30 June 2012 amounted to Rs. 2,609 million (2011: Rs. 2,760 million) of which the amount remaining unutilised as at that date was Rs. 2,379 million (2011: Rs. 2,477 million).

11.4 Securities

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

12.CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 4.808 million (2011: Rs. 1.245 million) against partial exemption of import levies.

b) Bank guarantees amounting to Rs. 188.553 million (2011: Rs.269.232 million) have been given to various parties for contract performance, tender deposits, etc.

12.2 **Commitments**

a) Aggregate commitments for capital expenditure as at 30 June 2012 amounted to Rs. 11.245 million (2011: Rs.0.390 million).

b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 30 June 2012 amounted to Rs. 31.942 million (2011: Rs. 13.432 million).

13. PROPERTY, PLANT AND EQUIPMENT

		2012	2011
		(Rupees in '000)	
Operating assets	13.1	1,494,121	1,580,444
Capital work-in-progress	13.2	1,168	1,089
		1,495,289	1,581,533

13.1 Operating assets

	2012									
	Cost / revaluation				Depreciation				Net book	Rate
	As at 01 July 2011	Additions	(Disposals)	As at 30 June 2012	As at 01 July 2011	For the year	(Disposal)	As at 30 June 2012	value as at 30 June 2012	%
	(Rupees in '000)									
Lease hold land at revalued amount	590,950	-	-	590,950	-	-	-	-	590,950	-
Building on leasehold land at revalued amount	265,260	-	-	265,260	-	13,263	-	13,263	251,997	5
Plant and machinery	1,292,506	13,775	(1,075)	1,305,206	601,894	96,443	(998)	697,339	607,867	8,12 & 25
Office equipment and appliances	56,910	6,119	(270)	62,759	44,319	5,514	(237)	49,596	13,163	12,25 & 33
Furniture and fittings	15,627	1,598	-	17,225	7,314	1,537	-	8,851	8,374	8 & 12
Vehicles	30,959	14,297	(3,082)	42,174	18,482	4,973	(2,960)	20,495	21,679	20
Loose tools	1,445	22	-	1,467	1,204	172	-	1,376	91	33
	2,253,657	35,811	(4,427)	2,285,041	673,213	121,902	(4,195)	790,920	1,494,121	

	2011											
	Cost / revaluation					Depreciation				Net book	Rate
	As at 01 July 2010	Additions	Revaluation (Adjustment)	Surplus	(Disposals)	As at 30 June 2011	As at 01 July 2010	For the year	(Disposal)	As at 30 June 2011	value as at 30 June 2011	%
	(Rupees in '000)											
Leasehold land at revalued amount	613,250	-	(22,300)	-	-	590,950	-	-	-	-	590,950	-
Building on leasehold land at revalued amount	238,123	147	-	26,990	-	265,260	23,745	11,910	(35,655)	-	265,260	5
Plant and machinery	1,270,704	21,802	-	-	-	1,292,506	508,061	93,833	-	601,894	690,612	8,12 & 25
Office equipment and appliances	53,419	3,746	-	-	(255)	56,910	38,249	6,325	(255)	44,319	12,591	12 & 25
Furniture and fittings	12,951	2,676	-	-	-	15,627	5,889	1,425	-	7,314	8,313	8,12 & 25
Vehicles	28,239	6,744	-	-	(4,024)	30,959	17,758	4,748	(4,024)	18,482	12,477	20
Loose tools	1,440	5	-	-	-	1,445	1,022	182	-	1,204	241	20
	2,218,126	35,120	(22,300)	26,990	(4,279)	2,253,657	594,724	118,423	(39,934)	673,213	1,580,444	

13.1.1 The revaluation of leasehold land and building was carried out on 30 June 2011 by M/s. Iqbal A. Nanjee & Co. professional valuers on the basis of market value.

Had there been no revaluation, the carrying amounts of leasehold land and building would have been Nil (2011: Nil) and Rs. 97.226 million (2011: Rs. 103.881 million) respectively. At 30 June 2012, undepreciated surplus on land and building amounted to Rs. 745.724 million (2011: Rs. 752.364 million).

13.1.2 Details of fixed assets disposed off during the year are as follows:

Assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Purchaser	Address
	-----------------(Rupees in '000)			---------------------			
Plant & machinery							
EDM machine	510	(434)	76	100	Trade-in	Kauser Trade Distributor	Plot No.B-31, SITE, Karachi
Vehicles							
Suzuki Alto	485	(364)	121	579	Negotiation	Mr. Wasim Mirza	House No. A-32, Block 10-A, Gulshan-e-Iqbal, Karachi
Items of net book value below Rs. 50,000 each	3,432	(3,397)	35	2,364	negotiation / insurance	various	various
2012	**4,427**	**(4,195)**	**232**	**3,043**			
2011	4,279	(4,279)	-	3,197			

13.1.3 Depreciation has been allocated as follows:

		2012	2011
		(Rupees in '000)	
Cost of sales	24	114,719	111,755
Selling costs	25	2,970	1,894
Administrative expenses	26	4,213	4,774
		121,902	118,423

13.2 **Capital work-in-progress**

	Cost			
	As at 01 July	Additions	(Transfers)	As at 30 June
30 June 2012	-------------------------(Rupees in '000)----------------------			
Plant and machinery	1,089	12,173	(12,094)	1,168
30 June 2011				
Plant and machinery	1,992	19,315	(20,218)	1,089

14. INVESTMENTS IN ASSOCIATES - equity accounted for

	% of holding 2012	% of holding 2011	2012 (Rupees in '000)	2011 (Rupees in '000)
International Industries Limited (IIL) 576,000 (2011: 576,000) fully paid ordinary shares of Rs. 10 each [market value of Rs. 16.272 million (2011: Rs. 28.512 million)]	0.48	0.48	18,405	44,519
Jubilee General Insurance Company Limited (JGI)	-	0.76	-	67,358
			18,405	111,877

14.1 Associates are entities over which the Company has significant influence and no control. Company's investee company is considered to be its associate by virtue of common directorship.

14.2 During the last quarter of the year, the Company sold the shares of Jubilee General Insurance Company Limited. The sale resulted in a gain of Rs. 5.628 million (disclosed in note 28 to the financial statements) as the carrying amount of the investment was reduced by impairment of Rs. 21 million recorded by the Company during the year.

14.3 During the year, an impairment of Rs. 27 million has been recognized against investment in International Industries Limited.

14.4 Summarised financial information of associated companies

	International Industries Limited (IIL)	
	31 March 2012	31 March 2011
	(Rupees in '000)	
Assets	12,992,069	14,027,287
Liabilities	8,063,834	9,284,551

	For the nine months ended 31 March 2012	For the year ended 30 June 2011
	(Rupees in '000)	
Total revenue	11,917,946	15,850,755
Profit after tax	76,370	1,030,113

14.4.1 Above associate has been equity accounted for upto 31 March 2012. The financial impact for the quarter ended 30 June 2012 of the above associate is not considered to be material.

15. LONG-TERM LOANS

		2012	2011
		(Rupees in '000)	
Considered good - secured			
Due from employees		3,356	4,072
Due from executive		378	706
		3,734	4,778
Recoverable within one year	19	(1,533)	(1,693)
		2,201	3,085

15.1 Mark-up free loans have been given to the employees for purchase of motor cars, motorcycles and other purposes as per the agreement with the workers' union. These are repayable in thirty-six to sixty equal monthly instalments.

16.STORES AND SPARES

		2012	2011
		(Rupees in '000)	
Stores		1,861	1,469
Spares [including Rs. 0.334 million in transit (2011: Rs.1.650 million)]		35,170	34,037
		37,031	35,506
Provision against slow moving stores and spares		(10,078)	(10,534)
		26,953	24,972

17.STOCK-IN-TRADE

Raw materials [including Rs. 434.9 million in transit (2011: Rs. 207.4 million)]	17.1	633,739	632,230
Work-in-process	17.2	217,210	192,229
Finished goods	17.2	380,588	453,858
Scrap		15,372	43,834
		1,246,909	1,322,151

17.1 Raw material includes slow moving items valued at Nil value as against their cost of Rs. 5.664 million (2011: Rs.3.083 million).

17.2 Work-in-process and finished goods include slow moving items aggregating Rs. 11 million (2011: Rs. 15.8 million) and Rs. 17.7 million (2011: Rs. 24.5 million) respectively stated at their net realizable values as against their cost of Rs. 16.1 million (2011: Rs. 19.2 million) and Rs. 47.5 million (2011: Rs. 41.5 million) respectively.

18.TRADE DEBTS - unsecured

Considered good			
Due from related parties	18.1	114,686	45,139
Others		601,001	431,759
		715,687	476,898
Considered doubtful			
Others		23,000	19,379
		738,687	496,277
Provision for doubtful debts	18.2	(23,000)	(19,379)
		715,687	476,898

18.1 The related parties from whom the debts are due are as under:

		2012	2011
		(Rupees in '000)	
Atlas Battery Limited		1,931	-
Atlas Honda Limited		382	1,208
Cherat Cement Company Limited		17	17
Fauji Fertilizer Company Limited		2,088	-
Sui Southern Gas Company		13,340	-
Intermark (Private) Limited		94,834	43,168
International Industries Limited		548	39
Packages Limited		1,178	588
Pakistan Petroleum Limited		368	119
		114,686	45,139

The above balances are mark-up free and unsecured.

18.2 Provision for doubtful debts

Opening balance		19,379	12,809
Provision during the year		3,998	6,570
Write off from the provision		(377)	-
		23,000	19,379

19. SHORT-TERM LOANS AND ADVANCES - unsecured, considered good

Current portion of long term loans	15	1,533	1,693
Short-term advances to employees		1,223	870
Advances to suppliers		4,092	3,439
		6,848	6,002

20. SHORT TERM DEPOSITS AND PREPAYMENTS

Deposits - considered good		5,327	2,757
Prepayments		1,512	912
		6,839	3,669

21. OTHER RECEIVABLES

	2012	2011
	(Rupees in '000)	
Claim receivable	-	9,477
Receivable from staff provident fund - related party	-	1,314
Receivable from staff pension fund - related party	4,712	6,957
Others	-	65
	4,712	17,813

22. CASH AND BANK BALANCES

With banks in current accounts	4,875	16,673
With banks in deposit accounts	-	25,000
Cash in hand	217	157
	5,092	41,830

23. NET SALES

Gross sales	6,270,931	4,908,036
Sales tax	(860,030)	(701,326)
Special excise duty	-	(63,946)
	5,410,901	4,142,764
Discounts	(66,330)	(46,373)
	5,344,571	4,096,391

24. COST OF SALES

	Note	2012	2011
		(Rupees in '000)	
Opening work-in-process		192,229	165,476
Opening stock - raw material		632,230	450,039
Opening stock - metal scrap		43,834	44,955
		676,064	494,994
Purchases of raw material		4,180,135	3,553,254
		4,856,199	4,048,248
Sales of scrap material during the year		(100,050)	(69,764)
Closing stock - raw material		(633,739)	(632,230)
Closing stock - metal scrap		(15,372)	(43,834)
		(649,111)	(676,064)
		(749,161)	(745,828)
		4,107,038	3,302,420
Stores and spares consumed		46,439	37,844
Fuel and power		87,050	70,276
Salaries, wages and benefits	24.1	201,370	174,354
Rent, rates and taxes		844	948
Insurance		3,588	3,566
Repairs and maintenance		32,000	28,192
Depreciation	13.1.3	114,719	111,755
Communication and stationery		1,136	1,348
Training, travelling and entertainment		5,729	3,727
General works		10,010	10,911
		502,885	442,921
Cost of production		4,802,152	3,910,817
Closing work-in-process		(217,210)	(192,229)
Cost of goods manufactured		4,584,942	3,718,588
Opening stock of finished goods		453,858	322,249
		5,038,800	4,040,837
Closing stock of finished goods		(380,588)	(453,858)
		4,658,212	3,586,979
Insurance claim		(1,236)	(10,203)
		4,656,976	3,576,776

24.1 Details of salaries, wages and benefits

		2012	2011
		(Rupees in '000)	
Salaries, wages and benefits		186,013	161,956
Provident fund contributions		3,928	3,605
Charge for pension fund obligation		8,813	5,158
Charge for staff retirement gratuity		2,616	3,635
		201,370	174,354

25. SELLING COSTS

Salaries, wages and benefits	25.1	56,099	51,202
Rent, rates and taxes		2,403	2,345
Insurance		448	527
Repairs and maintenance		452	470
Communication and stationery		2,189	2,292
Training, travelling and entertainment		6,387	5,848
Advertising and publicity		66,278	52,107
Carriage and forwarding expenses		49,260	42,509
Commission		748	741
Depreciation	13.1.3	2,970	1,894
Subscriptions		731	592
Fuel and power		1,095	1,007
Others		195	351
		189,255	161,885

25.1 Details of salaries, wages and benefits

Salaries, wages and benefits		50,729	45,450
Provident fund contributions		1,339	1,795
Charge for pension fund obligation		3,957	3,885
Charge for staff retirement gratuity		74	72
		56,099	51,202

26. ADMINISTRATIVE EXPENSES

	Note	2012	2011
		(Rupees in '000)	
Salaries, wages and benefits	26.1	76,276	69,808
Insurance		866	893
Repairs and maintenance		3,518	674
Legal and professional		2,208	6,483
Donations	26.2	3,200	2,010
Auditors' remuneration	26.3	893	861
Communications and stationery		3,999	3,676
Provision for doubtful debts		3,998	6,570
Training, travelling and entertainment		4,510	3,931
Depreciation	13.1.3	4,213	4,774
Fuel and power		1,689	973
Others		1,269	1,007
		106,639	101,660

26.1 Details of salaries, wages and benefits

	2012	2011
Salaries, wages and benefits	72,393	61,322
Provident fund contributions	1,043	2,537
Charge for pension fund obligation	2,840	5,949
	76,276	69,808

26.2 Donations were not made to any donee in which the Company or a director or his spouse had any interest.

26.3 Auditors' remuneration

	2012	2011
Audit fee	475	462
Fee for the review of half yearly financial statements	170	154
Special certifications	153	148
Out of pocket expenses	95	97
	893	861

27. OTHER OPERATING EXPENSES

	Note	2012	2011
		(Rupees in '000)	
Liquidated damages for late deliveries		-	508
Workers' profits participation fund	10.3	15,288	8,823
Workers' welfare fund		6,888	4,845
Exchange loss		36,817	2,951
		58,993	17,127

28. OTHER OPERATING INCOME

		2012	2011
Income from a related party - insurance commission		781	796
Income from non-financial assets			
- Sale of general scrap		6,274	7,217
- Gain on disposal of fixed assets		2,811	3,197
Others			
- Gain on sale of shares		5,628	-
- Balances no longer payable written back		-	102
- Others		240	418
		15,734	11,730

29. FINANCE EXPENSES

		2012	2011
Mark-up on finances under mark-up arrangements		54,217	60,244
Mark-up on long-term loans		9,547	31,098
Mark-up on workers' profits participation fund	10.3	239	106
Bank charges		3,701	4,484
		67,704	95,932

30. TAXATION

		2012	2011
Current - for the year		120,237	44,383
- prior year		(22,247)	-
Deferred		3,010	16,617
	30.1	101,000	61,000

30.1 Relationship between tax expense and accounting profit:

	2012	2011
	(Rupees in '000)	
Profit before taxation	240,956	146,682
Tax at the applicable rate of 35% (2011: 35%)	84,335	51,339
Tax effect of expenses that are not allowable in determining taxable income	18,649	7,351
Tax effect of share of profit from associates and dividend received from them	(2,629)	(1,963)
Tax effect of deferred tax relating to earlier years derecognized/(recognized) in current year	23,107	2,290
Tax effect of surcharge included in tax charge	-	2,287
Tax effect of income charged at different rates	(215)	(304)
Prior years' tax reversal	(22,247)	-
Tax charge	101,000	61,000

30.2 The income tax assessments of the Company have been finalised upto and including the financial year ended 30 June 2011.

30.3 Return submitted under section 114 of the Income Tax Ordinance, 2001 for the tax year 2007 and 2008 were amended under section 122(5A) of the Income Tax Ordinance, 2001 by the Income Tax Officer (ITO). Expenses amounting to Rs.84 million were disallowed by the taxation officer and were added back to income in respect of above mentioned tax years. However, as a result of the appeal filed by the Company, the Commissioner (Appeals) allowed expenses of Rs.80 million to the Company. The department then filed appeal with the Tribunal against the decision of Commissioner (Appeals) while the Company also filed appeal with the Tribunal for admissibility of the remaining expenses of Rs.4 million. The Tribunal allowed remaining expenses of Rs.4 million on Company's appeal but reinstated disallowances of Rs.74 million in respect of department's appeal. The Company has now filed appeal in the High Court against this decision and is hopeful of the favourable outcome of its appeal.

30.4 The tax year 2006 had been reassessed under section 122(5A) and the department has added back expenses of Rs.4 million. The Company filed appeal to the Commissioner (Appeals) who maintained the disallowances. The Company has now filed appeal with the Tribunal and is confident that these disallowances will eventually be reversed.

31. EARNINGS PER SHARE - basic and diluted

	2012	2011
	(Rupees in '000)	
Profit after taxation	139,956	85,682
	(Number of shares)	
Weighted average number of ordinary shares issued and subscribed at the end of the year	28,462,376	25,681,554
	(Rupees)	
Earnings per share - basic and diluted	4.92	3.34

32. CASH GENERATED FROM OPERATIONS

		(Rupees in '000)	
Profit before taxation		240,956	146,682
Adjustment for non cash charges and other items:			
- Depreciation	13.1.3	121,902	118,423
- Provision for staff retirement gratuity	7.5	2,690	3,707
- Other long-term employee benefits		1,958	(2,580)
- Gain on disposal of fixed assets		(2,811)	(3,197)
- Interest on bank deposits		(240)	(418)
- Share of profit from associates		(8,218)	(7,941)
- Gain on sale of investments		(5,628)	-
- Impairment loss on investments		48,000	16,000
- Finance expenses		67,704	95,932
- Working capital changes	32.1	129,523	(210,791)
		595,836	155,817

32.1 Working capital changes

	Note	2012	2011
		(Rupees in '000)	
Decrease / (increase) in current assets			
- Stores and spares		(1,981)	7,178
- Stock-in-trade		75,242	(339,432)
- Trade debts		(238,789)	159,142
- Short-term loans and advances		(846)	5,628
- Short term deposits and payments		(3,170)	(460)
- Other receivables (net)		13,101	(16,562)
		(156,443)	(184,506)
Increase / (decrease) in current liabilities			
Trade and other payables (net)		285,966	(26,285)
		129,523	(210,791)

33. CASH AND CASH EQUIVALENTS

	Note	2012	2011
Cash and cash equivalents comprise of the following items:			
Cash and bank balances	22	5,092	41,830
Running finance under mark-up arrangements	11	(118,981)	(53,390)
		(113,889)	(11,560)

34. FINANCIAL INSTRUMENTS

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

34.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary). Cash is held only with reputable banks with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

	2012	2011
	(Rupees in '000)	
Trade debts	715,687	476,898
Loans and advances	4,957	5,648
Deposits	7,894	5,210
Bank balances	4,875	41,673
Other receivables	4,712	17,813
	738,125	547,242

34.1.1 The maximum exposure to credit risk at the balance sheet date by geographic region was as follows:

Domestic (Pakistan)	726,159	524,926
Exports / Export Processing Zone	11,966	22,316
	738,125	547,242

34.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

Dealers and distributors	242,738	170,874
End-user customers	472,949	306,024
	715,687	476,898

34.1.3 As at the year end the Company's most significant customers included a distributor from whom Rs. 94.835 million was due (2011: Rs. 43.167 million) and an end-user from whom Rs. 74.598 million was due (2011: Rs. 32.085 million).

34.1.4 Impairment losses and past due balances

The aging of trade debt balances at the balance sheet date was as follows:

	2012		2011	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not past due	492,745	-	251,322	-
Past due 1-60 days	179,818	-	167,644	-
Past due 61 days -1 year	46,639	3,515	39,232	3,618
More than one year	19,485	19,485	38,079	15,761
	738,687	23,000	496,277	19,379

34.1.5 Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due do not require any impairment except as provided in these financial statements. None of the other financial assets are past due or impaired. Movement of provision against trade debts is disclosed in note 18.2.

34.2 **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	2012					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	Two to Five years	More than five years
	-----------------------------------(Rupees in '000)-----------------------------------					
Non-Derivative Financial liabilities						
Long term loans and mark up payable	27,112	(29,557)	(13,511)	(12,736)	(3,310)	-
Trade and other payables	448,117	(448,117)	(448,117)	-	-	-
Short-term borrowings and mark up payable	551,362	(551,362)	(551,362)	-	-	-
	1,026,591	(1,029,036)	(1,012,990)	(12,736)	(3,310)	-

	2011					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	Two to Five years	More than five years
	-----------------------------------(Rupees in '000)-----------------------------------					
Non-Derivative Financial liabilities						
Long term loans and mark up payable	114,092	(127,218)	(56,339)	(40,708)	(30,171)	-
Trade and other payables	119,484	(119,484)	(119,484)	-	-	-
Short-term borrowings and mark up payable	969,404	(969,404)	(969,404)	-	-	-
	1,202,980	(1,216,106)	(1,145,227)	(40,708)	(30,171)	-

34.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June (and includes both principal and interest payable thereon). The rates of mark-up have been disclosed in notes 6 and 11 to these financial statements.

34.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

34.3.1 Currency risk

Foreign currency risk is the risk that the value of a financial asset or liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on trade debts, borrowings and sales that are denominated in a foreign currency (primarily U.S. Dollar). The Company's exposure to foreign currency risk is as follows:

	2012		2011	
	Rupees in '000	US Dollars in '000	Rupees in '000	US Dollars in '000
Trade debts	11,966	127	22,316	260
Creditors	(243,063)	(2,580)	(8,576)	(100)
Short term borrowings	-	-	(911,265)	(10,590)
Accrued mark-up on short term borrowings	-	-	(3,482)	(40)
Gross exposure	(231,097)	(2,453)	(901,007)	(10,470)

Above exposure is payable by the Company in Rupees at the rate on which these are settled by the Company. Currently, the Company does not obtain forward cover against the net exposure due to existing restrictions by the State Bank of Pakistan on obtaining cover against borrowing in US Dollars under FE 25.

Following are the significant exchange rates applied during the year:

	Average rates		Balance sheet date rate	
	2012	2011	2012	2011
	(Rupees)		(Rupees)	
US Dollars	90.44	85.85	94.20	86.05

Sensitivity analysis

A five percent strengthening / (weakening) of the Rupee against US Dollar at 30 June would have increased / (decreased) equity and profit and loss account by Rs. 12.153 million (2011: Rs. 45.048 million). This analysis assumes that all other variables, in particular interest rates, remaining constant. The analysis is performed on the same basis for 2011.

34.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument was as follows:

	Carrying amount	
	2012	2011
	(Rupees in '000)	
Fixed rate instruments		
Financial liabilities	-	911,265
Financial Asset	-	25,000
Variable rate instruments		
Financial liabilities	571,560	164,348

Foreign currency loans bear fixed interest rate while all other borrowings bear variable interest rate and are indexed to KIBOR. Borrowing is generally determined on the basis of business needs.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and the equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) the equity and profit or loss as of 30 June 2012 by Rs. 0.528 million (2011: Rs. 0.325 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2011.

34.4 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

34.5 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to the shareholders or issue bonus / new shares.

The Company is not subject to externally imposed capital requirements.

35. OPERATING SEGMENTS

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

35.1 Revenue from cables & wires represents 97% (2011 : 97%) of the total revenue of the company.

35.2 99% (2011: 99%) sales of the Company relates to customers in Pakistan.

35.3 All non-current assets of the Company at 30 June 2012 are located in Pakistan.

35.4 The Company does not have any customer having sales of 10% or more during the year ended 30 June 2012 (2011: Nil).

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

	2012	2011
	(Rupees in '000)	
Sale of goods	559,737	448,611
Discount	19,021	12,136
Purchase of goods, services and materials	53,836	26,494
Commission earned	781	796
Insurance premium	7,889	6,357
Insurance claim received	14,136	1,784
Interest received - net	761	516
Dividend received	2,466	3,264
Distribution expenses	7,591	9,445
Write off from the provision for doubtful debts	78	-
Share of profit from associated companies	8,218	7,941
Net charge in respect of staff retirement benefit plans	21,920	22,929

Details of balances with related parties are disclosed in notes 7, 8, 10.1, 14, 18.1 and 28 to these financial statements. Key management personnel of the Company comprises of the Chief Executive Officer and other directors. Their remuneration are disclosed in note 36.1 and 36.2.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the plant cannot be determined as this depends on the relative proportions of the various types of aluminium sections and types and sizes of cables and wires produced.

39. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on 19 September 2012 have proposed for the year ended 30 June 2012, final cash dividend of Rs. 3.25 per share (2011: Rs. 2.00 per share) amounting to Rs. 92.503 million (2011: Rs. 56.925 million) and appropriation to general reserves amounting to Rs. 51.500 million (2011: Rs.32.500 million) for approval by the members of the Company in the Annual General Meeting to be held on 23 October 2012. The financial statements for the year ended 30 June 2012 do not include the effect of the proposed cash dividend and appropriation to general reserves, which will be recognised in the financial statements for the year ending 30 June 2013.

40. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 19 September 2012 by the board of directors of the Company.

Kamal A. Chinoy	**Haroun Rashid**	**Aslam Sadruddin**
Chief Executive	Director	Finance Director

Pattern of Shareholding
as at June 30, 2012

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
456	1	100	12,493
436	101	500	110,261
255	501	1,000	186,868
398	1,001	5,000	900,270
96	5,001	10,000	680,392
37	10,001	15,000	444,275
10	15,001	20,000	171,803
6	20,001	25,000	136,347
3	25,001	30,000	85,561
4	30,001	35,000	133,427
4	35,001	40,000	149,487
2	40,001	45,000	81,893
1	45,001	50,000	45,293
1	50,001	55,000	51,493
2	55,001	60,000	110,554
-	60,001	65,000	-
2	65,001	70,000	135,298
-	70,001	75,000	-
1	75,001	80,000	77,713
1	80,001	85,000	81,291
-	85,001	90,000	-
1	90,001	95,000	94,771
-	95,001	100,000	-
2	100,001	105,000	206,246
-	105,001	120,000	-
1	120,001	125,000	122,540
-	125,001	190,000	-
1	190,001	195,000	192,853
-	195,001	325,000	-
1	325,001	330,000	326,128
-	330,001	595,000	-
1	595,001	600,000	600,000
-	600,001	730,000	-
1	730,001	735,000	734,347
-	735,001	750,000	-
1	750,001	755,000	753,200
-	755,001	1,050,000	-
1	1,050,001	1,055,000	1,053,275
-	1,055,001	1,320,000	-
1	1,320,001	1,325,000	1,320,883
-	1,325,001	1,755,000	-
1	1,755,001	1,760,000	1,758,827
-	1,760,001	2,005,000	-
1	2,005,001	2,010,000	2,009,071
-	2,010,001	2,425,000	-
1	2,425,001	2,430,000	2,425,913
-	2,430,001	2,525,000	-
1	2,525,001	2,530,000	2,529,271
-	2,530,001	3,740,000	-
1	3,740,001	3,745,000	3,740,334
-	3,745,001	6,995,000	-
1	6,995,001	7,000,000	6,999,998
-	7,000,001	28,462,376	-
Total 1,732			28,462,376

PCL Network

☆ HEAD OFFICE ◇ REGIONAL OFFICE

▮ BRANCH OFFICE ● DEALERS

Proxy Form

I ____

of ____

being a member of **Pakistan Cables Limited** hereby appoint:

____ Folio No. ______________________

of ____

____(full address)

or failing him ____ Folio No. ______________________

of ____

____(full address)

as my proxy to attend and vote on my behalf at the 59th Annual General Meeting of the Company to be held on 23rd October 2012 and at any adjournment thereof.

As witness my hand this ____ day of ______________ 2012

Signed by the proxy holder

Please affix
Revenue Stamp
of Rs. 5/-

Signature of Member

In the presence of (Signature / name and address of witnesses)

1) ____ ____________________________________

2) ____ ____________________________________

Shareholder's Folio No. ________________________ Number of Shares held _____________________________

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy must be a member of the company.

The instrument appointing a proxy should be signed by the member or by his attorney duly authorised in writing. If the member is a corporation, Its common seal should be affixed to the instrument.

The instrument appointing a proxy, together with the Power of Attorney under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting.

CDC shareholders or their Proxies should bring their original National Identity Card or Passport along with the Participant's ID Number and their Account Number to facilitate their Identification.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Pakistan Cables Limited
B/21, S.I.T.E.,
Karachi-75700

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